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London-Frankfurt Stock Linkup Set

By Tom Buerkle

International Herald Tribune

LONDON — Europe's single currency will be the springboard for a single European stock market that could rival the New York Stock Exchange under an ambitious alliance announced Tuesday by the London and Frankfurt markets.

The two exchanges said they would begin by combining their trading of the biggest German and British equities in a joint venture over the coming year, then seek to develop a single, electronic system for trading stocks of the 300 largest European companies.

The exchanges hope that pooling their resources will attract global investors and cut transaction costs, thereby reducing the cost of capital for European companies and making them more competitive.

"This is important for an emerging European capital market," said Werner Seifert, chief executive of Deutsche Börse AG, the German stock exchange. "It creates a new center of gravity, from which the whole EU economy will benefit."

Gavin Casey, the chief executive of the London Stock Exchange, said the two partners would urge other European

A big step for Frankfurt. Page 15.

exchanges to join them in an effort to end the fragmentation of European equity trading among small and costly national exchanges.

"There is tremendous potential to remove the various interfaces between markets and make it all a whole lot simpler," he said.

The surprise announcement, which

appeared to stun other stock markets across Europe, helped ease concerns here that Britain's decision to stay out of the euro initially when the single currency is launched in January could threaten London's position as a financial center, bankers said.

Mr. Casey said the London exchange would even switch to quoting stocks in euros if a majority of its members support such a change.

The agreement also represented a truce between Frankfurt and London in their struggle to dominate Europe's markets for financial services after monetary union. The new system will be electronic, allowing dealers anywhere in the world to buy or sell shares over a computer screen, so no broker or banker needs to pack up and move.

"We must probably stop thinking in

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The Nigerian opposition leader Moshood Abiola, shown in 1993.

Opposition Chief Dies in Nigeria

Abiola, Jailed After Military Voided Vote, Has Heart Attack

Compiled by Our Staff From Dispatches

ABUJA, Nigeria — Nigeria's most prominent political prisoner, Moshood Abiola, died of a heart attack Tuesday after falling ill during a meeting with a visiting U.S. delegation, the government said. He was 60.

"The federal government regrets to announce the sudden death of Chief M.K.O. (Moshood) Abiola," a government statement said.

"Chief Abiola was taken ill during a meeting which was being held by Nigerian and United States officials with him," the statement said.

The statement from the president's office said an autopsy would be performed.

In Washington, a senior State Department official confirmed that Mr. Abiola fell ill while meeting with a delegation led by Undersecretary of State Thomas Pickering. The State Department official, asking not to be identified, said Mr. Abiola began coughing and wheezing and apparently died of a heart attack.

Mr. Abiola was reportedly to have been freed soon after four years of imprisonment.

One of only two candidates in an election in 1993, judged by the international community to be free and fair, he became the figurehead of the opposition after the election was voided by the military.

After the military crushed protests against the cancellation of the vote, Mr. Abiola announced in 1994 that he considered himself the rightful president.

He was almost immediately arrested on treason charges by the authorities under the then ruler, General Sani Abacha. General Abacha himself died June 8 of a heart attack.

Kofi Annan, UN secretary-general, visited Nigeria last week and pushed for Mr. Abiola's release.

Mr. Abiola's family had repeatedly warned that his health had been failing after years in detention under harsh conditions. His fortune and personal life also suffered during his imprisonment.

Two of his many wives died — one in an assassination-style slaying — and his business empire largely collapsed.

Mr. Annan said after his visit that he met with Mr. Abiola and that the opposition leader had decided to relinquish his claim to the presidency and cooperate with Nigeria's junta in making a peaceful transition to democracy. Many of his supporters, however, still wanted to see him take office.

Nigeria became an international pariah under the rule of General Abacha, who took power in the West African nation following a coup in 1993.

Political jailing were rampant between 250 and 280 people are believed still held across Nigeria. All are kept in regular prisons except for Mr. Abiola, who was detained in the relative comfort of a government guest house in Abuja, the capital.

During General Abacha's years in power, corruption tore away at Nigeria's economy and its infrastructure, leaving both in shambles. Despite the country's vast oil reserves, motorists line up and wait for hours at the few gas stations that have not run dry.

An unlikely symbol for the opposition, Mr. Abiola was a millionaire businessman from the southwest Yoruba region.

An accountant by training, he worked for a while as West African representative of the American telecommunications giant ITT before branching out into business for himself.

With wide interests, from fishing to transport to the media, he made himself a dollar millionaire.

Married with four wives and a large number of children, he was assured during his captivity of their vocal support.

On June 4, 1996, however, one of his wives, Kudrati Abiola, was shot to death. The killers were never found, and there was speculation on the involvement of security officials. (AP, AFP)



Mr. Berlusconi was sentenced to two years and nine months.

Milan Court Convicts Berlusconi Of Bribery

By Vera Haller

Special to the Herald Tribune

ROME — A jury convicted the media baron Silvio Berlusconi, Italy's opposition leader and former prime minister, on Tuesday of paying bribes to tax inspectors and sentenced him to two years and nine months in prison.

The verdict in Milan set off an avalanche of criticism from the center-right opposition, led by Mr. Berlusconi himself, that the decision was politically motivated and aimed to strip him of power.

"When you use political prosecutions to eliminate the democratic opposition, you no longer have a democracy, you have a regime," Mr. Berlusconi said in a statement.

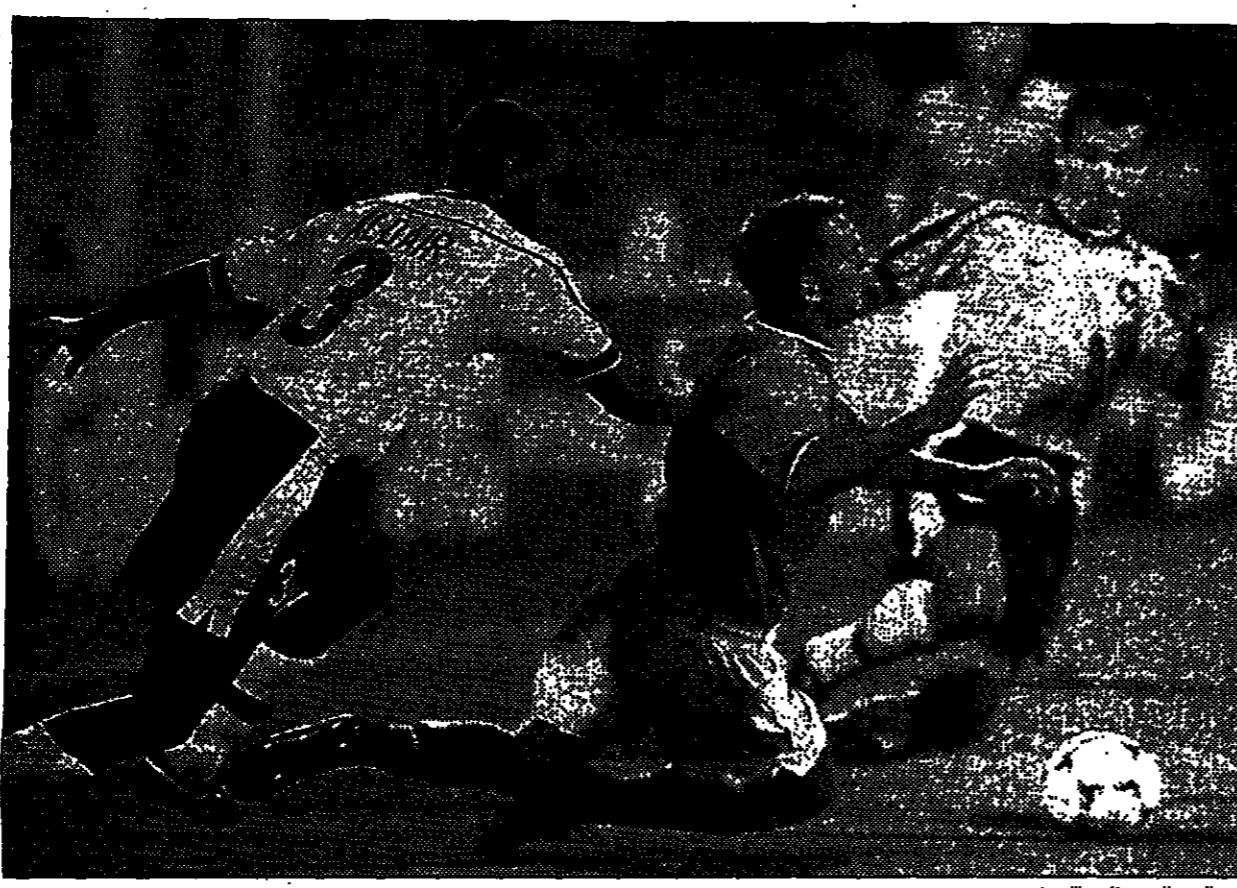
Under Italian law, Mr. Berlusconi would not have to begin serving the sentence unless the verdict is upheld during a lengthy appeal process. Even if upheld, he would probably avoid serving time by seeking a suspension of the sentence, allowed for prison terms under three years if the defendant commits no new crimes during a set period and also possibly does some community service.

Mr. Berlusconi, who served as prime minister for seven months in 1994 and is one of Italy's richest businessmen, was convicted of paying bribes to inspectors of the tax police force in exchange for favorable audits of some companies in his Fininvest media and retailing holdings.

He had always proclaimed his innocence, saying the payments were extorted from Fininvest by corrupt inspectors.

After the verdict was read, ending a two-year trial, witnesses said his attorney, Ennio Amadio, was visibly shaken. Mr. Amadio later told reporters that when he gave Mr. Berlusconi the news over the

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Ronald de Boer, center, tumbling with a helping hand from Aldair of Brazil, left, as Dunga closes in.

Brazil Wins in Shoot-Out

Late Dutch Goal Forces Extra Time, to No Avail

By Christopher Clarey

International Herald Tribune

MARSEILLE — Four years ago in the United States, Brazil won its unprecedented fourth World Cup by defeating Italy on penalty kicks. On Tuesday night, it earned a chance to retain its crown by giving the Dutch the same treatment in the semifinals.

The two teams had finished level, at 1-1, at the end of the regulation 90 minutes, and neither scored in the 30 minutes of sudden death. But Taffarel, the Brazilian goalkeeper, saved two kicks to give his team a 4-2 victory in the shoot-out. Brazil will play the winner of the semifinal Wednesday between Croatia and France, in Saint Denis on Sunday.

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First, he stopped the third Dutchman

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AGENDA

Secret Service Ordered to Testify

WASHINGTON (AP) — A federal appeals court panel ruled Tuesday that three Secret Service agents must tell a grand jury in the Monica Lewinsky investigation what they observed while guarding the president. The administration must now decide whether to appeal the ruling to the Supreme Court, ask the full appeals court to hear the case or abide by the decision.

The Dollar		
New York	Tuesday @ 4 PM	previous close
DM	1.8145	1.8118
Yen	138.575	140.195
FF	6.084	6.0765
Pound	1.6379	1.636
Dollar per pound.		

The Dow		
	Tuesday close	percent change
6.73	9,085.04	-0.07%
S & P 500		
2.65	1,154.66	-0.23%
Nasdaq		
1.37	1,908.10	-0.07%

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Oil Price Plunge Confounds Malaysia

By Thomas Fuller

International Herald Tribune

KUALA LUMPUR — Malaysia's ability to tap its considerable oil and natural-gas reserves for much-needed cash appeared to have evaporated Tuesday, when officials from Petronas National Bhd., the state petroleum company known as Petronas, announced that sales last year fell \$2 billion.

In a conference room half-way up the world's tallest building — a newly opened \$550-million structure that the company built as its headquarters — officials spoke of a "difficult and challenging year."

Increased production, they noted, did little to reverse the effects of a persistent decline in oil prices.

In terms of the local currency, the ringgit, the company's balance sheet is

healthy: profits and sales both grew by at least 20 percent last year.

The figures were deceiving, however, because the ringgit declined 40 percent since the Asian financial crisis started a year ago.

Profits in dollar terms fell \$200 million.

Pur simply, Malaysia's cash cow is a lot thinner these days.

Like several other troubled East Asian countries, Malaysia recently decided that it would try to spend its way out of the current economic crisis — a radical shift from the International Monetary Fund-style austerity program

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it had embraced in the nine months after the onset of the economic crisis.

Altogether, the government plans to put 12 billion ringgit (\$2.9 billion) into stalled infrastructure projects and social spending in an effort to keep the economy from shrinking.

Malaysia's deputy prime minister, Anwar Ibrahim, said Tuesday the government would speed up construction to try to avoid negative growth.

But he said the crisis would force the government to revise downward its projections of 2 to 3 percent growth.

The view finds its echoes on the streets, in the cafés, and in the jobless lines. "The people want hope and Helmut Kohl can't deliver that," said Thomas von Danckelman, an unemployed heating engineer who plans to vote for the opposition Social Democrats.

The troubles in Eastern Germany are particularly significant, because the politically volatile eastern states yield the swing voters that can make or break the

narrow margins of success. The Sept. 27 election will be the third since unification and arguably the most important since the end of World War II, determining how the economic powerhouse of Europe defines its future and how it exerts its mighty influence — with or without a player whose record-breaking stint in office has made Mr. Kohl an immutable center of gravity.

But it will be fought in Eastern Germany on one basic question: Is the glass half-full, or half-empty? Is re-unification a work-in-progress that will produce the "blossoming landscapes" that Mr. Kohl promised, or has this experiment in fusing two Germanys failed?

Four years ago, Mr. Kohl delivered a victory here for Mr. Kohl and his party: of all Germany's 16 federal states, his state — Saxony — scored the single biggest

See GERMANY, Page 6

Israeli Planes Hit Hezbollah Positions

TYRE, Lebanon (Reuters) — Israeli warplanes raided suspected positions of the Iranian-backed Hezbollah in southern Lebanon on Tuesday, a security source said.

The source said two rockets fired at the hills west of the village of Yater, north of the western sector of the southern Lebanon zone occupied by Israeli troops. There were no immediate reports of casualties in the attack.

Earlier Tuesday, the Muslim group said in a statement that its guerrillas attacked an Israeli position in the western sector of the zone.

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THE AMERICAS

Theft of Voice Mail: Troubling Threat to Corporate SecurityBy Devon Spurgeon
Washington Post Service

CINCINNATI — What began as an expose of Chiquita Brands International Inc. by a hometown newspaper has turned into a cautionary tale for corporate America on how a modern innovation — voice mail — can be stolen and misused just as easily as corporate documents and trade secrets.

On a Sunday morning in early May, Chiquita executives awoke to find what were alleged to be their own voice mail messages reprinted in the Cincinnati Enquirer.

In an 18-page pullout section headlined "Chiquita's Secrets Revealed," the newspaper said it had obtained what it contended were internal voice mail messages from a company executive.

The messages were used to bolster allegations — denied by the company — that Chiquita secretly controls other banana companies, sprays dangerous pesticides on workers and villagers in Central America and has attempted to bribe Colombian officials — in addition to allegations that its fruit-transporting ships have smuggled cocaine into Europe.

Chiquita's president and chief oper-

ating officer, Steven Warshaw, said: "Our business and my personal privacy were violated in the most extreme way. I mean my children leave me messages. I don't want the world to know their grades."

With 85 percent to 90 percent of all corporations using voice mail and 40 percent to 45 percent of all households employing the system, according to estimates, the Chiquita case raises troubling and potentially costly questions about the security of any voice mail system.

"Voice mail can be a chink in any corporation's security armor," said Beth Givens, director of the Privacy

Rights Clearinghouse, a nonprofit consumer information and advocacy program based in San Diego. "Every corporation should have a policy that prescribes what can and cannot be communicated by voice mail. Voice mail must be a part of a corporation's security plan."

Chiquita alleges that its voice mail system was cracked open by an Enquirer reporter, Michael Gallagher, who was later fired by the newspaper over the incident.

More than 2,000 voice mail messages, most of them from the legal de-

partment, were recorded. The company says some of the information obtained from the voice mail and printed in the articles should have been protected under attorney-client privilege.

The voice mail also anonymously surfaced at the Securities and Exchange Commission, which would not comment on whether it was investigating information about company practices.

Chiquita has filed a civil lawsuit against Mr. Gallagher, 40, alleging among other things defamation, trespassing and violations of state and federal wiretapping laws. He faces a criminal probe by the FBI and a local, court-appointed special prosecutor.

Chiquita officials allege that Mr. Gallagher would submit questions to company attorneys and then listen to their voice mail as they discussed drafting answers to his questions. Mr. Gallagher declined, through his lawyer, to comment.

The Enquirer, owned by Gannett Co., agreed to publish a front-page apology three days in a row and pay Chiquita more than \$10 million.

Other cases of voice mail hacking have occurred on a much smaller scale, usually centering on a former employee's attempts to steal trade secrets.

Chiquita officials refused to speculate on how the Enquirer reporter penetrated its system, which logs 12,500 messages each week.

Ed Shuck, owner of Visual Traffic, a consulting firm that advises corporations on how to protect themselves from telephone fraud, said, "The average hacker gets in because the people that have the voice mail system never change the default password."

He said corporations should require users to change their password every 30 days, deleting all voice mailboxes not assigned and making sure the voice mail access number does not have the main corporate prefix. Experts also say security codes should have six digits.

Chiquita said officials discovered the theft because its voice mail system records the phone numbers of incoming calls and because of tracks left as the hacker maneuvered around the system.

POLITICAL NOTES

Maryland Probes Tapings by Tripp

WASHINGTON — As Linda Tripp returned for a third day of testimony in the Monica Lewinsky investigation, the Maryland state's attorney opened a grand jury investigation Tuesday into whether Mrs. Tripp's secret tape recordings of the former White House intern violated state law.

Stephen Montanarelli, the Maryland state prosecutor, said a grand jury would look into whether Mrs. Tripp violated the state's wiretapping law by making the tape recordings without Ms. Lewinsky's knowledge or permission.

Mr. Montanarelli placed the matter before a grand jury in Howard County, Maryland, where Mrs. Tripp lives and where, he said, "the alleged tape recordings took place."

Mr. Montanarelli said there was no reason to continue to defer to the Whitewater investigation by the independent prosecutor, Kenneth Starr, since Mrs. Tripp has now testified to the federal grand jury assisting Mr. Starr's investigation.

Mrs. Tripp spent last Tuesday and Thursday testifying in grand jury sessions and returned again Tuesday. The inquiry was triggered by Mrs. Tripp's 20 hours of secretly recorded phone calls with Ms. Lewinsky in which she is said to have confided a sexual relationship with President Bill Clinton. (AP)

Senator Criticizes Clinton on Taiwan

WASHINGTON — The Senate majority leader, Trent Lott, said Tuesday that President Bill Clinton's comments on Taiwan during his China trip were counterproductive and that Congress may have to "repair the damage that has been done."

Mr. Lott, a Republican of Mississippi, who held off criticizing Mr. Clinton while he was in China, said the Senate would act this month on a package of bills intended to penalize China and would press ahead with its investigation into technology transfers and campaign contributions.

He gave Mr. Clinton good marks for his comments on human rights while in China. He also suggested that Mr. Clinton's decision to extend most-favored-nation trade benefits to China for another year would be upheld by Congress.

But Mr. Lott said the president was not forceful enough with Chinese leaders in other areas, including nuclear proliferation and the issue of technology transfers.

"He was counterproductive on what he said on Taiwan," the senator said, adding his voice to that of other conservatives who have suggested that Mr. Clinton's comments altered U.S. commitments.

The key issue is Mr. Clinton's statement in Shanghai last week laying out what is called the U.S.-China "three no's" policy: no support for an independent Taiwan, no recognition for a separate Taiwanese government, no backing of Taiwan's entry into international organizations.

Although other U.S. officials have made identical statements in the past, Mr. Clinton's public reiteration of the three no's was the first by a U.S. president. Some leaders in Taiwan called the remarks a concession to Mr. Clinton's Chinese hosts. (AP)

Quote/Unquote

President Clinton, challenging Congress to advance his stalled legislative agenda in areas such as health care, education and Social Security retirement benefits: "Congress has a choice to make in writing this chapter of our history. It can choose partisanship or it can choose progress. Congress must decide." (WP)

CNN Staffers Want Bosses Out Over Flawed StoryBy Felicity Barringer
New York Times Service

NEW YORK — Hundreds of angry Cable News Network staff members in the network's Atlanta headquarters, with staffers also calling in from CNN's bureaus around the world, took part in two discussions on Monday, during which some employees demanded to know why the network's top managers retained their jobs after the retraction and apology last week over a broadcast report that the U.S. military had used nerve gas on a 1970 mission in Laos.

Tom Johnson, chairman of CNN News Group, told the group that his offer of resignation had twice been rejected by Gerald Levin, the chairman of Time Warner, the network's corporate parent, and also by Ted Turner, the founder of CNN who is now vice chairman of Time Warner.

Some producers and correspondents asked why. Richard Kaplan, chairman of CNN/USA, and Peter Arnett, the correspondent who narrated the report, had not resigned voluntarily or under compulsion.

In an interview Monday night, a spokesman for the network, who insisted on anonymity, said: "Peter Arnett's role as a correspondent in the Operation Tailwind coverage is being re-evaluated based on new information provided to Tom Johnson over the weekend and on Monday."

The military mission examined by the report was

called Operation Tailwind. The network's top executives had believed that Mr. Arnett conducted just one interview for the program, the spokesman said.

But they have since learned that he conducted two other interviews, including one with a pilot on the mission, who said his aircraft had been loaded with tear gas, not nerve gas.

While Mr. Arnett said in recent interviews that he was a late addition to the reporting team and had basically just read a script, he said in an interview on Monday night, in response to the spokesman's comment, that it was widely known he had conducted three interviews, not one, including the one with the pilot.

During the second of the two meetings on Monday, Mr. Arnett telephoned from Oregon, where he was on vacation.

He spoke for five minutes, saying he had been filing numerous reports from Iraq while the Operation Tailwind story was being prepared, and that by the time he got involved the program's basic thrust had already been established by others at CNN.

Responding to the accusation that he had sullied the network's reputation for honesty, Mr. Arnett retorted that his work over the last 17 years had helped establish the reputation based on news coverage from the sites.

An article on the same incident appeared in Time magazine under the bylines of April Oliver, who was

the main producer of the CNN report, and Mr. Arnett. Like CNN, its corporate cousin in Time Warner, Time retracted the report and apologized.

Mr. Johnson reprimanded Mr. Arnett on Thursday. Ms. Oliver and her senior producer, Jack Smith, were dismissed by the network Friday when they refused to resign.

Pamela Hill, the senior executive producer of "Newsstand: CNN & Time," the program that broadcast the report June 7, resigned Thursday after accepting the conclusions of an outside investigation that the central charges in the report had not been substantiated.

The meetings Monday involved "a very vigorous discussion," according to CNN's Washington bureau chief, Frank Sesno.

"There were several bold exchanges that raised the question of what this means in the most profound way to CNN and who is responsible for it," he said.

Three people who took part in the meeting said CNN journalists brought up some of the news decisions over which Mr. Kaplan had presided at ABC News before joining CNN last summer — including an investigative report of food-handling practices at the Food Lion supermarket chain.

That report, in which ABC News employees lied to get jobs at a Food Lion store, brought the network a conviction for fraud in North Carolina. The verdict is being appealed.

Joy Amid Florida Ashes**Most Residents Are Relieved to Discover That Their Homes Withstood the Fires**By Sue Anne Pressley
Washington Post Service

BUNNELL, Florida — As she and her family sped north on U.S. 1 to reclaim their house in the fire-blackened woods of northeastern Florida, Kathy Seib used red lipstick to scrawl a jubilant message on the back window of their car: "Goin' Home!!!"

Ms. Seib's delight was matched by that of thousands of other Flagler County residents. Authorities on Monday lifted a weekend-long evacuation order made necessary by the huge wildfires that had threatened Friday to consume this largely rural sweep of bone-dry flatlands near Florida's Atlantic Coast beaches.

Ninety percent of the county's 45,000 residents obeyed the order, not at all sure when they left whether they would return to anything but ruins and ash.

But firefighters saved 97 percent of the homes, all but about 45, local officials said. And that was only one of the heartening signs indicating that firefighters finally might be gaining the upper hand in their seven-week battle against the worst and most enduring outbreak of wildfires in Florida's history.

Interstate 95, closed Thursday along a 12-mile (200-kilometer) span from Jacksonville to Cocoa Beach because of thick, blinding smoke, was reopened to heavy north-south traffic. All roads leading into Flagler County were opened as well. For the first time since the siege began in this corner of the state two weeks ago, residents felt they could again begin to put their lives back in order.

Even so, 58 fires were still burning, covering 16,000 acres (6,500 hectares) in the hard-hit central and northeastern sections of the state, according to emergency management officials. All 67 of

couple of cars that looked as if they had been bombed.

The Seibs' story was more typical. Kathy Seib, her husband, Jeffrey, daughter, Michelle, and Goliath, their Yorkshire terrier, had left their Palm Coast home in a panic, ending up at the home of Kathy Seib's aunt and uncle in the haven of Ponce Inlet. Thanks to a friend's report, they had an idea they would find their wood-frame, three-bedroom home in a densely wooded area of Indian Trails still standing. But

they were shocked to learn how close the call had been.

Fire had lapped at the grass to within 10 feet (3 meters) of the house, and a blackened tree lay draped across their fence.

"We are so happy, we're hyper," said Jeffrey Seib, 47, a research scientist at the University of Florida. "We were surrounded by so much fuel," he continued, indicating what was once the woods. "It was so dry, when you stepped on the pine cones, they'd snap like cellophane, like eggs."

Along with their neighbors, the Seibs could not praise enough the efforts of the firefighters and other emergency workers, and said they hoped there would be a parade and celebration to honor them once this is over. Kathy Seib still had a few worries, however — about possible sparks in the attic and about the fate of wildlife that had shared the woods with them. "I hope my bunny rabbits are O.K.," she said, "and the deer."



But a woman in Palm Coast was not so fortunate. She found only a dishwasher where her house once stood.

U.S. Let General in Sex Case Retire Penalty-FreeBy Steven Lee Myers
New York Times Service

WASHINGTON — A former U.S. Army deputy inspector-general engaged in a pattern of "inappropriate behavior" or adulterous affairs with the wives of four officers under his command, according to a Pentagon report.

The officer, Major General David Hale, also "sanctioned the misuse of government resources" to pay for trans-Atlantic travel by one of the women and then lied "in an effort to deceive others concerning his conduct," the report concluded.

The report, written by Eleanor Hill, the Defense Department's inspector-general, significantly expands the controversy over General Hale and the

accusations against him.

The general, 53, retired in February with the army's approval, even though a complaint accusing him of coercing sex had been filed by a subordinate's wife while he was deputy commander for NATO ground forces in Southeastern Europe.

In March, Secretary of Defense William Cohen ordered the inspector-general's office to review the accusations and handling of the case, including a decision to allow General Hale to retire quietly.

Late last week, the army announced that it had begun a criminal investigation based on the inspector-general's findings. But the extent of the accusations was not clear until Monday.

A copy of the report, with the names blacked out to conceal the identity of the women involved and

not reliable, and they want the government to maintain the new and old ones. (NYT)

• A veteran free-lance reporter for National Public Radio, Larry Matthews, has pleaded guilty in federal court to violating child pornography laws, saying he was trafficking in Lewd photos of minors on the Internet as part of his First Amendment right to research an article on the subject. (NYT)

• A man who admitted beating five cats to death was sentenced to 12 years in prison in Janesville, Wisconsin. (WP)

other witnesses, was provided to The New York Times by congressional staff members critical of the army's handling of the case.

In recent years, the army and other branches of the military have been criticized for instances of sexual harassment and misconduct that were ignored or investigated slowly.

The army's response to the accusations against General Hale has prompted charges of a double standard, giving senior officers more leeway than junior officers or enlisted personnel.

Last year, the army vigorously prosecuted its senior enlisted soldier, Sergeant Major Gene McKinney, on 18 counts of sexual misconduct involving six women. He was convicted on one charge — obstruction of justice.

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ASIA/PACIFIC

India's Line in the Sand: 'Minimum' Nuclear Deterrent Against ChinaBy John F. Burns
New York Times Service

NEW DELHI — In talks with the United States on nuclear weapons, which are to resume Sunday, India will insist on its right to develop a nuclear arsenal capable of giving it a "minimum deterrent" against China, a senior official says.

But in a briefing for Western reporters Sunday, the official, from the office of Prime Minister Atal Bihari Vajpayee, said India would offer concessions, including several the United States has rejected in the past as insufficient. He said India also was willing "eventually" to sign the Comprehensive Test Ban Treaty, fulfilling a pledge by Mr. Vajpayee that India will not conduct more nuclear tests.

The official, who spoke on condition that he not be identified, said India already had nuclear weapons it could use in a conflict with Pakistan or China, its likely adversaries.

Whether India is capable of firing nuclear

weapons, or needs months or possibly years to turn its technology into usable weapons, has been an open issue since India announced five underground nuclear tests two months ago. Pakistan followed in late May with two rounds of nuclear tests of its own.

"If you're asking me if we have a delivery system, the answer is, 'Yes, we do,'" the official said.

India and the United States already have held one round of inconclusive discussions since the nuclear tests, during a visit to Washington last month by Jaswant Singh, a senior official of the Bharatiya Janata Party, the Hindu nationalist group that leads India's 14-party coalition government. Mr. Singh is to hold a second round of talks Sunday in Frankfurt with Strobe Talbott, the U.S. deputy secretary of state; Mr. Talbott is to follow up with a visit to New Delhi on July 20.

The briefing officer said that India was ready to take steps to respond to Western pressures. The most important, he said, would be its read-

iness to sign the test ban treaty once Indian negotiators had determined "what we can get."

By this the official appeared to mean that India would use the prospect of signing the treaty as a bargaining chip in its bid to get the United States to lift or at least ease the wide-ranging economic sanctions Washington imposed after the tests.

In a potentially significant reformulation of earlier statements on the treaty, the official said India would no longer demand that the treaty be rewritten to include language committing all nuclear powers to a schedule for reducing and eventually eliminating their nuclear arsenals.

The official said India recognized that with more than 140 nations having signed the treaty, it was impractical to expect it to be rewritten.

Instead, he said, India would press its case for total nuclear disarmament within the so-called Nonaligned Movement and in the United Nations, forums where India has pressed for the elimination of nuclear weapons for decades.

Before possibly signing the treaty, the official said, India is ready to take other steps: turning the country's pledge not to conduct further nuclear tests into what he called "a legally binding international commitment;" making a similarly binding pledge not to transfer nuclear technology to other countries; and pledging to join negotiations in Geneva on a new treaty to limit the production of the fuels required for nuclear weapons.

But the official said India would not accept the main demand by the United States: that India give up development of a nuclear arsenal.

He also rejected another American demand, a ban to missile tests, because India sees the tests as essential to develop a deterrent. All five established nuclear powers — Britain, France, China, Russia, and the United States — have called on India and Pakistan to halt all steps toward developing nuclear arsenals.

The official said India expected China to be the most resolute in pressing for India not to

develop a nuclear arsenal. But he said India was equally determined that it would have an arsenal to balance China's: "Our problem is China. We are not seeking parity with China. We don't have the resources, and we don't have the will. What we are seeking is a minimum deterrent."

■ Pakistan Might Freeze Debt Payments

Pakistan may be forced to consider a moratorium on its \$30 billion debt in three months if sanctions imposed against it for its nuclear tests block foreign exchange inflows. Finance Minister Saraj Aziz said Tuesday, Reuters reported, from Islamabad.

"If sanctions last more than three months, then we may be forced to consider a moratorium," he said. This was the government's most explicit warning of the possibility of a default following U.S. and Japanese sanctions for its recent nuclear tests. The sanctions are expected to cost the government \$1.5 billion a year in foreign exchange.

U.S. Short of Cash for Pyongyang Oil**But Funding of Nuclear-Freeze Deal Will Be Honored, It Vows**

Reuters

WASHINGTON — U.S. officials say they have not yet raised enough funds to supply North Korea with oil in return for freezing its nuclear program, but they expressed confidence that the money would be found.

The State Department said Monday that it was talking to Congress and was lobbying other countries for cash in an attempt to provide North Korea with the 500,000 metric tons of heavy fuel oil it was promised every year under a 1994 agreement.

The pact required Pyongyang to shut graphite-moderated nuclear reactors that Washington said could produce fuel for nuclear weapons.

In return, a new consortium, the Korean Peninsula Energy Development Organization, or KEDO, was to build new light-water reactors in North Ko-

rea, which are less subject to nuclear proliferation, and to supply the oil.

Secretary of State Madeleine Albright said, "We are in fact going back to Congress to get some additional funds, because it would be a 'disaster' if we let this fall apart."

She added in her remarks late Monday on CNN, "For a few million dollars, we cannot let this unravel."

James Rubin, the State Department spokesman, said that so far this year the consortium had delivered only about 152,000 metric tons of oil to North Korea, but that 66,000 tons of oil was scheduled to be delivered later this year.

Mr. Rubin said the administration was consulting with Congress about additional funding for oil purchases and had come up with an initial tranche of \$5 million above the \$30 million that the

legislature had previously agreed to provide.

In addition, he said that the European Union was expected to contribute \$16 million soon, but that these funds would be used to help the consortium cover port oil purchases.

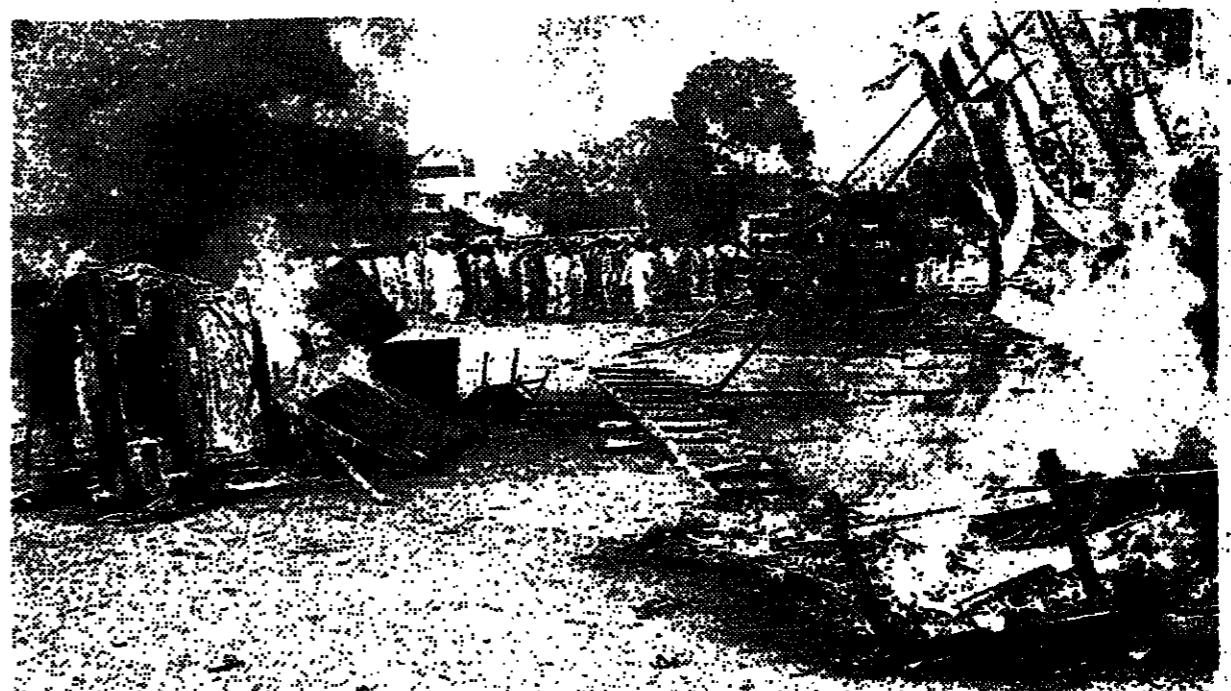
The United States, South Korea, Japan and the European Union are board members of the consortium.

Mr. Rubin said that the United States was working hard to help the consortium raise more funds from other countries but that the organization had not yet been able to gather enough funds for its heavy fuel oil deliveries to North Korea this year.

Still, he added, "We are sure we are going to be able to fulfill our side of the bargain."

"And it's up to the North Koreans to ensure they fulfill theirs."

BRIEFLY



PAKISTANI STRIFE — Wreckage of clashes between rival Sunni Muslim groups burning on a Karachi street Tuesday. The riots occurred during celebrations marking the birthday of the Prophet Mohammed. Karachi is plagued by factional violence that has claimed more than 200 lives in the past five weeks.

Seoul and Moscow Hit Diplomatic Bump**Russians Expel South Korean Aide, Alleging He Paid Bribes for Secrets**By Don Kirk
International Herald Tribune

SEOUL — The expulsion of a South Korean Embassy counselor from Moscow has started the government here at a delicate stage of relations between South Korea and Russia.

"We are torpedoed by their Federal Security Service," said a South Korean Foreign Ministry official awaiting the arrival Tuesday of Cho Sung Woo, sent

home after Russian security officials charged him with paying bribes for secrets. "We may need some cooling-off period."

Mr. Cho, before a call on the Foreign Ministry here, said he was not "ashamed" since he had only done his "job as a diplomat." Later, as he left for debriefing by the National Security Planning Agency, he added, "I have no idea what happened."

Seoul is concerned that the episode

may derail an effort to guarantee Russia's tacit support against North Korea, Russia's protégé in the Korean War and ally during the demise of the Soviet Union.

The South Korean government has been attempting to get Russia to pay back \$1.5 billion in loans. It also hopes that Russians will put off negotiations with Pyongyang for a new agreement replacing a military assistance agreement abrogated two years ago.

South Korean officials denied that Mr. Cho's arrest in Moscow had anything to do with negotiations on the loans, most of which were extended around the time Moscow was opening diplomatic relations with Seoul in 1990.

They expressed their dismay, however, over a coincidence in timing. A Russian deputy prime minister, Oleg Sysuyev, canceled a trip to Seoul to discuss the debt payments and other problems shortly before Mr. Cho was detained at the Russian Foreign Ministry. Mr. Sysuyev postponed his visit indefinitely. South Korean officials said, to focus on his role in dealing with the miners' strike in Siberia.

It was while digesting that news that Seoul learned from Russian news reports that the Federal Security Service, successor to the KGB of the Soviet era, had detained Mr. Cho on Saturday in the act of handing over cash to a Russian official in the First Asian Department.

The Federal Security Service said Mr. Cho had been "systematically supplying" South Korean intelligence agencies with political and economic material gathered from his Russian sources.

Bhutan King Cedes Some of His Powers

NEW DELHI — The king of Bhutan has sharply curtailed the powers of this mountain kingdom's 91-year-old monarch, giving the legislature the power to dismiss him and yielding the right to choose the cabinet.

The reforms adopted last week were proposed a month ago by the king himself in a royal edict. Word of the National Assembly's endorsement was received Tuesday in New Delhi. It was the biggest step so far in a gradual process of diluting the once absolute power of the monarchy in Bhutan.

King Jigme Singye Wangchuck requested that the National Assembly periodically pass a vote of confidence in his rule. A two-thirds vote against him would require him to abdicate in favor of the crown prince. He retained the right to assign portfolios to the cabinet ministers elected by the legislature, and said he must be kept informed of matters of "security and sovereignty."

Japan Carries Out A Satellite Docking

TOKYO — Two Japanese satellites successfully docked Tuesday in the first such maneuver carried out by the Japanese space program.

The satellites were linked together when they were blasted into space in November. On Tuesday, Earth controllers separated the satellites and then connected them again after 15 minutes, said Yasuyuki Fukunaga, a spokesman at the National Space Development Agency.

The docking experiment was conducted at an altitude of 341 miles (546 kilometers) above the Earth.

The success follows Japan's launch Saturday of its first interplanetary spacecraft on a mission to search for signs of water under the surface of Mars. The mission could turn up clues about whether life might once have existed on the Red Planet.

Hashimoto Faces Trouble**He Won't Get a Majority in Japanese Voting, Polls Predict**

Reuters

TOKYO — Opinion polls indicate that Prime Minister Ryutaro Hashimoto will not win a majority Sunday in the Upper House election. Japanese newspapers said Tuesday, a result that could pose serious challenges to his leadership.

The Asahi Shimbun, Nihon Keizai Shimbun and Mainichi Shimbun all forecast that the Liberal Democratic Party would not win more than the 61 seats it now holds among the 126 seats up for election in the House of Councillors.

The Liberal Democratic Party is eight seats short of a majority in the 252-seat chamber.

Analysts have said that if Mr. Hashimoto's party wins fewer than 61

seats, the prime minister may have to step down.

"These polls should really be watched," said John Neuffer of Mitsui Research Institute. "In the previous general elections in 1996, they called it pretty close to the outcome."

The polls were taken before Mr. Hashimoto backtracked Sunday on comments last week that were interpreted as meaning that permanent income tax cuts were possible.

The Asahi Shimbun estimated after a nationwide survey of party supporters that only 59 seats.

It saw the largest opposition party, the Democratic Party led by Naoto Kan, holding firm with 19 seats. The Communists were seen taking 12, or double their present number of seats.

It was while digesting that news that Seoul learned from Russian news reports that the Federal Security Service, successor to the KGB of the Soviet era, had detained Mr. Cho on Saturday in the act of handing over cash to a Russian official in the First Asian Department.

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EUROPE

A Dark Mood Descends on Ulster

Protestant Anger Over March Ban Erupts Into Nightly Violence

By James F. Clarity
New York Times Service

BELFAST — During the daylight hours, life seems unaffected in the towns of this predominantly Protestant British province, by the crisis over disputed Protestant Orange Order parades through Roman Catholic areas.

But at nightfall, the towns of Northern Ireland, especially Belfast, become urban war zones. Protestants vent their spleen through mayhem over a Protestant parade that was blocked by the police and the British Army on Sunday at Portadown, 35 miles (55 kilometers) west of Belfast.

There are nightly battles with police that have raised fears that the violence will damage or destroy the peace settlement that is supposed to end sectarian killing between Catholics and Protestants. Government and security officials feel that the violence will continue for at least several more days.

Prime Minister Tony Blair of Britain, said Tuesday in London that he would meet Thursday with Orange Order leaders to try to work out a compromise. Britain, in a psychological warfare move designed to ease popular anxiety, announced that it would send 800 army troops here by the end of the week. There are already 17,000 troops in the province.

But Tuesday afternoon in Belfast, in a period of unusually sunny weather, people in usual numbers worked, shopped and enjoyed \$3 cups of Vienna Cappuccino in cafes like Roscoff on Fountain Street.

Shops and department stores had plenty of customers. Buses crowded the streets.

Politicians, including Mr. Blair, were

on television urging people to stay calm, saying there had been some progress toward ending the violence that began three days ago, when the government prevented a Protestant march from passing through a Catholic area, Drumcree, in Portadown.

But at nightfall for the past three nights, Belfast and several other towns have come alive with sectarian violence and some random vandalism.

Gangs of Protestants throw blazing gasoline bombs at police of the Royal Ulster Constabulary, who respond by firing plastic bullets — long, hard cylindrical missiles that are rarely deadly.

The demonstrators, mostly young men, move to the edge of their own neighborhoods to stone police, hijack and burn cars, block roads with burning barricades. Bus and train services are canceled or interrupted.

Police reported Tuesday afternoon that there had been 330 gasoline bomb incidents in the past four days. Police and politicians, both Catholic and Protestant, say the protesters are mostly thugs, not sincerely patriotic Orangemen.

Since Saturday, the eve of the preview of the Orange Parade, police reported, the demonstrators have attacked police 246 times, mostly in Belfast, and that 63 of them have been arrested. There have been 101 vehicles hijacked, and 213 burned. Damage has been done to 139 private homes and 71 commercial properties.

So far there have been no major clashes between Protestants and Catholics. But television stations showed repeatedly a fight between a Protestant and a Catholic, in which one man swung a long piece of wood at the other, who ducked and the two rolled in the street.

like alligator wrestlers before police separated them. For the distant viewer, it was impossible to tell which battler was of which religion.

Mr. Blair said in London on Tuesday morning, "I think it's important in a situation like this, when we've come so far in Northern Ireland, we've got over the hurdle of the referendum, we've got over the hurdle of an assembly. We now have the possibility of a tremendous future in Northern Ireland. So if we can talk and work with people too, then I hope the goodwill exists to change."

David Trimble, an Orangeman as well as leader of the Ulster Unionist Party and the recently chosen First Minister of the new Northern Ireland assembly, said slight progress had been made toward a compromise. "We can't afford this situation to continue indefinitely," he said. "The longer the present situation continues, the greater the dangers."

People watch the mayhem and the politicians on television, but random interviews in central Belfast indicated that there was at least as much interest in less violent events, like the World Cup soccer semifinal matches in France.

"Crisis deepens," said a sign in front of a newsstand advertising the front page of the Belfast Telegraph. But on sidewalk tables outside the Roscoff cafe, people enjoyed the hazy sunlight, drank espresso and cheddar and scallion soup.

At the Northern Ireland tourist office on North Street, a woman at the information counter said there had been no noticeable drop off in tourism this week. A few people a day telephone to ask if it's safe to visit the province. "We tell them the whole of Northern Ireland is not in uprising. Life is continuing in Northern Ireland."

UN War Crimes Role Is Said to Cover Kosovo

Compiled by Our Staff From Dispatches

THE HAGUE — The United Nations' chief war crimes prosecutor for Yugoslavia said Tuesday it was her judgment that there was an armed conflict in the Serbian province of Kosovo, clearing the way for war crimes charges.

In a statement, Louise Arbour said she had passed her views to the six-nation Contact Group dealing with the Balkans conflict.

"The prosecutor believes that the nature and scale of the fighting indicate that an armed conflict, within the meaning of international law, exists in Kosovo," the statement said. "As a consequence, she intends to bring

charges for crimes against humanity or war crimes, if evidence of such crimes is established."

The group, made up of the United States, Russia, France, Britain, Germany and Italy, is to meet Wednesday.

The prosecutor said earlier that she had jurisdiction to investigate violations of humanitarian law in Kosovo, where ethnic Albanians are fighting for independence from Yugoslavia.

The tribunal statement noted that the prosecutor's jurisdiction took in both sides of the fighting and those in positions of "superior responsibility" who failed to take measures to prevent subordinates from committing crimes.

Serbian sources in Kosovo, mean-

while, reported that Serbs had forced ethnic Albanian insurgents to retreat from Ljubija, a village near Peć.

Phone lines have been cut, and the main road is sealed off by the Serbian police, so there were few reliable details on the situation. (Reuters, AP)

■ Massive Peace Force Needed

About 50,000 troops would be required to police a cease-fire in Kosovo according to NATO military planners, Agence France-Presse reported from Brussels on Tuesday, quoting diplomats.

The estimate is based on a complete cessation of hostilities and the deployment of an international peace force.

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THE WORLD'S DAILY NEWSPAPER



Loyalists standing in front of RUC police in Portadown on Tuesday, as the Drumcree crisis enters its third day.

BRIEFLY

VW to Compensate Its 'Slave Laborers'

FRANKFURT — Volkswagen AG, Europe's largest carmaker, said Tuesday it planned to set up a fund for people forced by the Nazis to work for the company during World War II.

VW said its board of management decided to establish a private fund to offer "humanitarian help to individual victims who were forced to work in the years 1944-45" at the company's Wolfsburg headquarters.

VW said last month that compensation claims by former slave laborers should be directed to the German government. The company cited "historic and moral duties." (Reuters)

One More Crew Set For Spaceship Mir

MOSCOW — The last crew on the space station Mir will probably head up to the aged research facility in February and remain aboard until the middle of 1999, Russian space officials said Tuesday.

Space officials had wanted to keep a crew on the Mir until the end of 1999.

But in recent days, several senior officials have said the Mir was likely to be abandoned around June 1999 largely because of money shortages.

The final crew is expected to include a Frenchman and a Slovak along with a Russian cosmonaut. Interfax reported, citing Boris Ostroumov, a deputy director of the Russian Space Agency, as the source of its information. (AP)

EU Taking Ireland To Court Over Water

BRUSSELS — The European Union's executive agency said Tuesday it would take Ireland to court for failing to integrate EU norms on water pollution into national legislation.

The agency, the European Commission, also warned Belgium, Germany, Luxembourg, Austria and the Netherlands it would take them before the European Court of Justice if they failed to adopt EU standards on water pollution.

Ireland will be sued for not adopting EU rules on the protection of water against pollution caused by substances such as mineral oils, hydrocarbons and various heavy metals such as phosphorus and nitrates. (AP)

Slovaks Starting Up Disputed A-Plant

BRATISLAVA — Operating personnel at a nuclear plant considered unsafe by neighboring Austria increased its electricity output Tuesday and said the plant would be fully operational by the end of August.

The second of the Mochovce plant's two generators was turned on after the first generator was put into service on the weekend.

Austria is worried that a Chernobyl-type disaster would affect hundreds of thousands of its citizens. (AP)

Russia Accuses Envoy Of Export Violation

MOSCOW — Russia protested Tuesday over what it said was an attempt by an American diplomat to export valuables from Russia without proper permission from the appropriate authorities.

"Such actions by American citizens are impermissible," a Foreign Ministry spokesman, Vladimir Rakhamzin, declared, according to Russian news agencies. (Reuters)

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July 1998

INTERNATIONAL

Palestinians Gain Enhanced Status at the UN

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The General Assembly voted overwhelmingly on Tuesday to give the Palestinian people a larger role in the United Nations and a voice in many of its peripheral activities.

The Palestinians, already members of several groups of developing nations, hailed the victory as a first step toward full United Nations membership.

Israel's representative, Dore Gold, denounced the resolution's references to the Palestinian Authority in Gaza and the West Bank as a "transparent effort" by the Palestinians to influence talks over the final status of disputed territories.

The vote — 124 to 4, with 10 abstentions and 47 countries not voting — overwhelmed the strong opposition of the United States. Bill Richardson, the

American representative, called the move "the wrong resolution at the wrong time." He said it would set a precedent for other observers or non-members of the organization.

"If this resolution passes, it will undermine our efforts to get the peace process back on track and hurt everyone's interests, including the interests of those it is most intended to help," Mr. Richardson argued. "Exchanging momentum toward real progress on the ground for symbolic progress in this chamber does not strike us as a good bargain."

After making some progress earlier in this decade in reducing the isolation of Israel at the United Nations, the United States has been increasingly sidelined more recently on Middle Eastern issues, which it tries to keep out of the United Nations as much as possible. On Tuesday, only Israel, the Marshall Islands and

Micronesia voted with Washington.

The European Union, Canada and Russia were among those voting for the resolution, which was first introduced in December, then deferred for further study.

Ernst Sucharipa, the representative of Austria, which now holds the presidency of the European Union, said that the Europeans had concluded that the resolution would not set new legal precedents for the organization.

Europe supported the move, he said, in recognition of the "practical difficulties" the Palestinians were having in their work as observers at the United Nations.

The resolution in effect creates a new "super-observer" status for the Palestinians — or Palestine, as the delegation has been known officially since 1988. Palestinians will now have the right to participate in General Assembly debate and reply to other speeches, the right to co-sponsor resolutions on Middle Eastern issues and to take part in a range of United Nations conferences and meetings.

The Palestinians will not have the right to vote in the General Assembly, however. And nothing in Tuesday's actions affects the work of the Security Council, which already allows the Palestinians to speak in formal sessions when the interests of the Palestinian people are involved.

The Palestinians, having finally won this round, intend to press for full Gen-

eral Assembly membership, their delegation leader, Nasser Kidwa, said Tuesday.

"A small victory was achieved for Palestine today, and we thank you for that," he said in a speech after the vote.

"However, we do want to say that it is our hope that our reliance on this resolution passed today will not last for a long time, as we hope that the United Nations will accept Palestine as a member state in the near future."

Mr. Kidwa said that he hoped that would happen in the coming General Assembly session, beginning in September. "That shall be the big victory," he said.

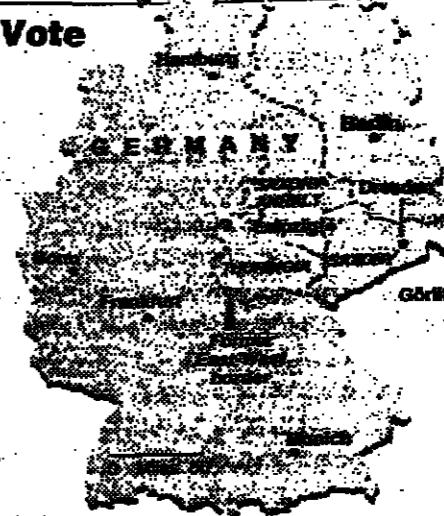
The resolution Tuesday was sponsored by a group of Arab nations, joined by Afghanistan, Bangladesh, Cuba, Malaysia, Vietnam and several African nations.

At the American Jewish Committee, Arthur S. Berger, the spokesman, said the effort by the Arab and Third World nations was a step back for the United Nations. "Unfortunately this reminds a lot of people of the way the United Nations General Assembly used to be, when an absolute majority of members would vote for anything that was anti-Israeli," he said. "In effect, what this does is try to influence the final status of negotiations while the Palestinians and the Israelis are at a critical moment. That's not helpful. In fact, it can be quite unhelpful."

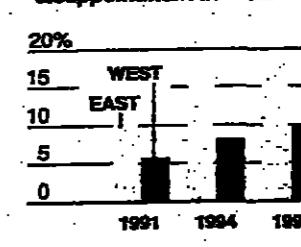
AT ISSUE

The Shifting Vote

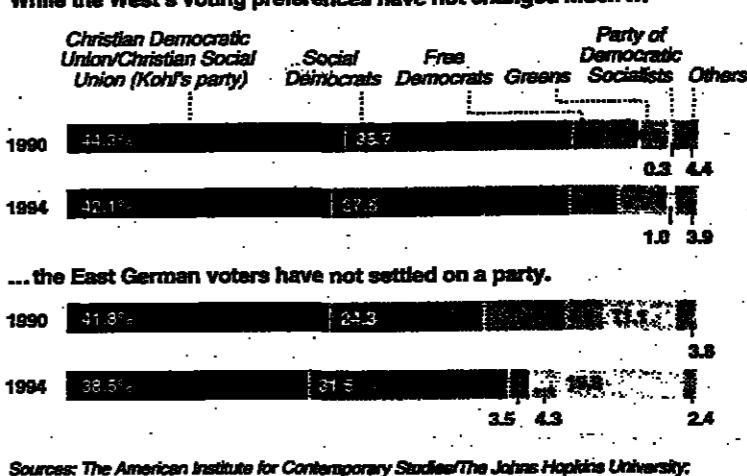
Germany will go to the polls to elect a chancellor this September, and while there are still strong loyalties to Helmut Kohl in the West, growing dissatisfaction with reunification in the East is diminishing Kohl's popularity and the chances for a fifth term.



Expectations were high after reunification in 1990, but GDP per capita did not match those hopes ...



... and the change in the unemployment rate was a disappointment as well.



Sources: The American Institute for Contemporary Studies/The Johns Hopkins University, German Federal Office of Statistics

The New York Times

GERMANY: East Is Key to Kohl's Future

Continued from Page 1

Bonn. "Kohl has been there too long. But who else is there for people like us?"

Younger people, too, sense a disengagement in many parts of Eastern Germany. In one recent, local vote in Saxony-Anhalt, many swerved to the extreme right. Some are heading left.

"At first I thought Helmut Kohl was right to insist on this rapid reunification, this rapid change," said Christian Bernius, a 27-year-old law clerk, who plans to vote Social Democrat. "In fact, there was a rapid change on paper, but not in people's heads. Division is going on longer."

Indeed, despite Germany's nominal unity, the election campaign is being fought as two.

In the West, where the bulk of Germany's voters show stable voting patterns, Christian Democratic strategists are waging a "red scare" campaign, accusing Mr. Schroeder of working hand-in-glove with closet Communists in the East.

But in the East, where the challenge is to persuade voters that they never had it so good under communism, the aim is to win back those who believe reunification, personified in Mr. Kohl, has made them second-class citizens.

"The Christian Democrats have written off the East," said Raimund Grafe, a strategist for the Social Democrats. Joachim Herz, former director of the Dresden State Opera, added, "What do you expect to achieve by constantly telling 15 million people that everything they did was wrong?"

The strategy, though, reflects a demographic and political reality: Germany's national elections are fought for the hearts and souls of the big, rich states of the West, where the population is four times that of the East, and where voters chafe at financing the East.

But in the East, voters are far less entrenched in their party preferences. While 80 percent of Western voters die by party loyalty, government statistics show, only about half the Easterners show the same fidelity.

And they are far more likely to follow their pocketbooks than any sense of political obligation.

This year, in mayoral votes in two Saxon towns — Leipzig and Goerlitz — the Christian Democrats were trounced. Last April, in Saxony-Anhalt, Mr. Kohl's party suffered its worst-ever postwar defeat, in a state assembly election that produced a sizable and troubling showing of about 13 percent for the far-right German People's Union.

One fifth of the vote, moreover, went to former Communists.

Since then, the Christian Democrats in Bonn have taken to castigating the Easterners' seeming proclivity for voting for extremes, and for displaying little of the gratitude that Westerners expect in return for paying a 7.5 percent income tax surcharge to finance the Eastern revival.

The ultimate issue in Eastern Germany, though, is jobs.

Germany's Federal Labor Office on Tuesday confirmed that the country's unemployment rate fell to 10.5 percent in June from 10.9 percent in May. The Associated Press reported.

At reunification, the Communist command economy of East Germany was rudely dismantled, the Deutsche mark became the currency, and an entire way of state-sponsored living collapsed.

But the paradox is that the vaunted Western investment in Eastern Germany has provided none of the guaranteed jobs-for-life of state socialism.

"The more we modernize, the fewer jobs there are," Mr. Haake said grimly.

MALAYSIA: Oil Rich but Cash Poor

Continued from Page 1

throughout Asia, Africa and the Middle East.

But like oil industry players around the world, the company has been squeezed by the decline of oil prices. Even as Petronas officials spoke Tuesday, crude oil prices fell below \$13 a barrel.

"It reduces the degree of freedom which the government has and which Petronas has in terms of the kinds of resources it may be able to call upon," said Jomo K.S., a professor of economics, commenting on the company's results.

Despite a difficult 1997, Petronas has fulfilled its traditional role: savior to troubled companies. In April, Petronas's shipping arm, Malaysia International Shipping Corp., bought the shipping assets of the cash-strapped Konsortium Kapalakan, a company controlled by Prime Minister Mahathir's son, Mirzaan.

But other sources familiar with Mr. Mahathir's visit to Japan said the prime minister had requested loans totaling several billion dollars.

It was the first time that Malaysia sought large-scale financial assistance from Japan in more than five years.

Petronas, for its part, is by no means in financial trouble. The oil company is highly respected among industry analysts and has extended its business

largest U.S. stock market, and both those exchanges have had discussions with markets in Europe as well.

A spokesman for the Paris Bourse said it would consider joining the London-Frankfurt alliance after getting answers to "some technical questions and some political questions," including "Why didn't you tell us about the alliance beforehand?" and "How do you plan to include the other exchanges?"

"The alliance is obviously open to everyone, so why not?" said the Bourse spokesman, Bruno Rossignol. "But first we have to see what it means, whether it's interesting to join."

The answers to some of those questions are likely to come at a meeting Thursday in Frankfurt between officials of the Paris and Frankfurt exchanges, Mr. Rossignol said.

A spokesman at the Amsterdam Exchange was guarded, saying officials would discuss the London-Frankfurt alliance but continued to support their own vision of looser electronic ties between independent national exchanges.

"We were not even informed of this decision," Leo Hug, a spokesman for the Swiss Exchange, told Bloomberg News. "At the moment, there's no immediate pressure to join London and Frankfurt."

But Mr. Casey of the London exchange predicted that other exchanges would eventually join the alliance because of the overwhelming demand by global institutional investors for a single market for European blue-chip stocks.

The alliance also poses a big challenge to regulators, begging the question of whether a single European equity market will require a single regulator like the U.S. Securities and Exchange Commission.

echoed his cries of political prosecutions.

"Few Italians are going to believe this verdict doesn't have a political motivation behind it," said Rocco Buttiglione, leader of the new, centrist UDR party.

Pier Ferdinand Casini, secretary of the Christian Democratic Center party, said the conviction would do nothing to shake the opposition's confidence in Mr. Berlusconi's leadership of the Freedom Alliance opposition.

Mr. Berlusconi's brother, Paolo, a Fininvest official who was a co-defendant in the bribery trial, was acquitted. Three other Fininvest officials were convicted and sentenced to prison terms ranging from 10 months to two years and six months. Three tax inspectors, who were also on trial, were convicted and sentenced to two to three years in prison. A fourth inspector was cleared of the charges.

Noting the Decline, Pope Urges Return To Mass on Sundays

The Associated Press

VATICAN CITY — Concerned about the declining number of Sunday churchgoers, Pope John Paul II issued a sweeping call for Roman Catholics to respect the Lord's day.

In a letter released Tuesday, the Pope said those who did not go to Mass regularly "should be convinced that they cannot live their faith or share fully in the life of the Christian community."

The customs of the "weekend" and a declining sense of faith have kept people out of church, the letter said. In Austria, only 17 percent of Roman Catholics attend Mass regularly, and in Rome that figure is 28 percent, according to Vatican officials.

There were "positive aspects" to taking part in cultural, political or sporting activities on Sundays, the Pope said in the letter.

But families also should gather in prayer, perform charitable works or get out and discover nature on Sunday — a day he called "an indispensable element of our Christian identity."

BRIEFLY

Peace Talks Go On In Africa Dispute

ADDIS ABABA, Ethiopia — President Yoweri Museveni of Uganda arrived in Ethiopia from Eritrea on Tuesday in the latest attempt to resolve a two-month border dispute between the Horn of Africa neighbors.

Mr. Museveni's arrival coincided with a warning to Eritrea by Prime Minister Meles Zenawi of Ethiopia that his country had made all the necessary preparations for a military victory if peace negotiations failed.

Mr. Museveni held talks on Monday in the Eritrean capital, Asmara, with President Isayas Afewerki and senior government officials, and was due to meet Mr. Meles late Tuesday.

(Reuters)

Gadhafi Surgery

CAIRO — The Libyan leader, Moammar Gadhafi, has undergone successful surgery to repair a hip broken when he was exercising, the official Libyan news agency said Tuesday.

The operation was "successfully conducted" Monday night by Libyan surgeons, the agency said, but gave no further details.

On Monday, Mr. Gadhafi, 56, appeared on state-run television and said that he broke a bone near his hip while exercising.

(AP)



AGAINST YELTSIN — A Russian woman shouting slogans against President Boris Yeltsin and in support of the Communists during the funeral of General Lev Rokhlin in Moscow on Tuesday. The former general, an member of Parliament and fierce opponent of Mr. Yeltsin, was shot Friday by his wife.

Kirill Kudryavtsev/Agence France-Presse

July 8, 1998

INTERNATIONAL

Trickle-Down Entrepreneurship: Making a Living in Nigeria's Arid EconomyBy James Rupert
Washington Post Service

KANO, Nigeria — In his 27 years, Sadig Ibrahim has always been poor and almost never had a formal job. For years, he scraped together a little money selling fruit by the roadside, at neighborhood soccer games, anywhere he could.

Recently, Mr. Ibrahim's ingenuity — and some help from a sympathetic city official — has built him a flourishing business: The only fresh-fruit juice bar in Kano. He is fulfilling his primary goal, supporting his widowed mother and three siblings, and is planning for the day when he can hire employees and air-condition the abandoned travelers' shelter that he has converted into a bright little bar.

For Nigeria's uncounted people, estimated to number between 100 million and 120 million, a real job is hard to come by. With the country in a political crisis for the past five years, neither Nigerians nor foreigners have invested the money that would help create jobs. Official corruption and bad management have hampered or crippled such state-run endeavors as the telephone system, the electrical power grid, the railroads, road maintenance and gasoline supply.

Amid the collapse, millions of Nigerians are scraping by with a remarkable mix of labor, creativity and sacrifice. As in many Third World countries, sidewalks are lined with men and women squatting behind squares of cloth or plastic displaying clothes, cigarettes, plumbing fixtures, newspapers or virtually any small item for sale.

But the sidewalk economy here is broader than elsewhere, including mechanics, secretaries, TV technicians, tree nurseries, manicurists and, on one

corner in the capital, Lagos, forklift rentals.

Such people — working for cash, mostly unskilled and unregulated and often with no permanent workplace — make up what economists call the informal economy. In major Nigerian cities, "something like 53 percent of the economically active population is in the informal sector," said Akin Mabogunje, an economist at the Development

Amid political turmoil, millions of people are squeezing out a living with a remarkable mix of labor, creativity and sacrifice.

Policy Center, a research group in the southern city of Ibadan. "In the smaller towns, it is 80 percent."

In West Africa, Nigerians have a reputation as being among the region's most energetic entrepreneurs — even

though some of the reputations come from their skills as drug traffickers. Nigerians "may have some advantages," Mr. Mabogunje said.

The relatively urban society encourages people to try business rather than agriculture, its market is vastly larger than any other in the region, and the huge oil industry seeps money into the economy that can help fuel new businesses.

Historically, West Africans had more, and earlier, business opportunities than others on the continent, Mr. Mabogunje said, because this region was less attractive to outsiders.

During a century of white colonial rule, Europeans and Indians settled in the milder climates of eastern and southern Africa, and quickly dominated commercial farming and general trade in countries such as Kenya, Uganda, Zimbabwe (then Rhodesia) and South Africa.

But the lowlands of West Africa, where malaria was rampant, became known in the 19th century as "the white man's grave." A rhyme among British colonists in Africa warned of the Nigerian coast: "Beware, beware the Bight of Benin, where 1 comes out, though 40 go in."

The Red Book of West Africa, a guide to British colonies published in London in 1920, counted fewer than

3,000 Europeans in Nigeria but reported that "the young generation of native traders in Lagos are well demonstrating their business ability."

On Nigeria's dusty northern plain, Kano for centuries was one of

black Africa's outlets to the world, as the main southern terminus of the trans-Saharan caravan trade. The caravans no longer run, but the city remains the commercial center of northern Nigeria.

For years, Mr. Ibrahim was one of Kano's throng of sidewalk vendors, selling fruit grown by his father, a farmer. But with the idea that fruit juices would be more profitable, he began squeezing them — and finding customers.

In the past couple of years, in what seems like an economic fairy tale, Mr. Ibrahim has begun to cross the line from the informal economy to the established business world. A customer heard of an upcoming trade fair in Lagos and suggested that Mr. Ibrahim take his juices there.

At the fair, Mr. Ibrahim's freshly squeezed juices won a prize. Officials of Kano state were proud, he recalled, and then astonished when they realized that

he was not part of the state's official exhibition.

In Kano, a local official "asked me what help I needed," Mr. Ibrahim said, "and I told him I needed a place for my business." The city offered him use of a traveler's rest stop — a one-room, concrete structure hardly bigger than a bus shelter, that was built by the British during colonial rule and later abandoned.

Talking about the project, Mr. Ibrahim sounds like a marketing executive. "This is a good place because so many people drive by and see it," he said. He wired the place for electricity, installed lights and painted it white with orange trim. "It catches people's eyes," he said. It "looks fresh and clean, like the juices should be."

Mr. Ibrahim goes to Kano's main market at 6 A.M. each day and buys used plastic mineral-water bottles and baskets of pineapples, coconuts, oranges and mangoes.

"You have to know which ones will give good juice," he said. He spends the day washing bottles, slicing fruit, squeezing it in a hand-operated press and storing it in a second-hand refrigerator. He closes at 10 P.M., pays a watchman to guard the place against thieves and goes home.

One day recently he talked about his success with a group of foreign tourists — a rarity these days — with no pause in his rhythm of slicing and squeezing oranges. To move up from among the millions of Nigerians pressed to the bottom of this massive economy, he said, hard work is necessary but not sufficient.

"I am lucky, thanks to God," he said. "Many people are working only to live for one more day. I had a good idea that I found in my head. I don't know why it was there."



James Rupert/The Washington Post

Neutrality Issue Deeply Divides Austria**Torn by NATO Debate, Coalition Parties Can't Devise a Security Policy**By Barry James
International Herald Tribune

VIENNA — Austria's neutrality is coming under question, with the governing coalition of Socialists and Christian Democrats deeply divided over whether the country should join the North Atlantic Treaty Organization.

"By 2003, we will be a member of NATO for sure," said Andreas Khol, parliamentary leader of the conservative Austrian People's Party, a party of Christian Democrats that broadly supports joining the alliance.

But the Social Democratic party is against abandoning neutrality, which for many Socialists would be tantamount to an admission that their policies in the past were wrong.

The coalition failed recently to agree on a joint parliamentary text on defense. As a result, said a senior diplomatic source, "there is no Austrian security policy."

Diplomats said Chancellor Viktor Klima, a Social Democrat, waffled on the issue in an effort to keep the coalition together as Austria took over the presidency of the European Union July 1 for a six-month term.

Mr. Klima has committed himself to supporting a "European Defense Community" and said recently that "the question is whether joining NATO is the right thing to do when we are on the road to a strong, self-confident European security structure."

Analysts say such a structure would be no replacement for NATO, which

offers the benefit of U.S. military assets, including spy satellites and heavy-lift air transport, and the participation of Turkey, which is not a member of the European Union or likely to be one in the foreseeable future.

Geography is the reason that NATO would find it more convenient to have Austria in rather than out. The alliance has agreed to admit Poland, Hungary and the Czech Republic as members next year, and Austria provides a strategic link with them. It has normally granted transit rights, but this could change if the Socialist Democrats formed a coalition with the Greens and other leftist elements.

Otherwise, Austria's contribution to the alliance would be puny. It spends a mere 0.8 percent of gross domestic product on its military.

History is the main reason for Austria's remaining out. The Soviet Union agreed to withdraw its occupation troops and recognize the 1955 state treaty on the express condition that Austria "of its own free will" declare itself permanently neutral after the departure of the occupying powers.

The neutrality pledge has lost any practical meaning with Austria's membership of the European Union. But it still sets off nostalgic reactions on the left.

Under Bruno Kreisky, a Socialist chancellor who served from 1970 until 1983, neutrality became a moral stance, with Austria styling itself a mediator in world conflicts, equidistant from East and West. Neutrality was also linked

with Austrian distrust of Germany, the key alliance member in Western Europe.

"The Americans and NATO along with them, were always made out to be just as much an evil force as the Soviet Union," said Andreas Unterberger, the editor in chief of *Die Presse*. "Neutrality was transformed into an Austrian myth."

Austria's assumptions were shaken by the outbreak of conflict in the neighboring Yugoslav republics, which brought home the realization that mediation was meaningless without the presence of NATO troops on the ground in Bosnia.

As a result, according to Anton Pelinka, a political scientist, Austria vacillates between two options: "an unconvincing, agitated ingratiation toward NATO on the one hand and an ideologicalizing of neutrality on the other."

Mr. Pelinka said in an article that neutrality had been a fiction, and certainly served no purpose with the ending of the Cold War.

The federal president, Thomas Klestil, said it was not a simple question of whether to join NATO or maintain neutrality, but of defining the basic of Austrian solidarity with its neighbors.

"Europe's security is our security," he said, but added that security for most people "had many facets." It meant more than freedom from threat of military action. It meant freedom from crime, from unemployment and from environmental disaster, particularly because of aging Soviet-built nuclear re-

actors in neighboring countries.

Austria is part of the Euro-Atlantic Partnership Council, which was set up last year to provide a broad framework for common security decisions.

Lord Rayner, Chairman Of Marks & Spencer, Dies

New York Times Service

Lord Rayner, 72, who as chairman and chief executive of Marks & Spencer PLC oversaw a revival and vast expansion of Britain's leading retailer that included acquiring the American clothier Brooks Brothers a decade ago, died June 26, the company announced in London.

The tight financial controls and strong management practices that Lord Rayner applied at Marks & Spencer were also put to use in the British government when he served in a variety of posts, most notably beginning in 1970 when he arranged to have all three branches of the British military use a single procurement office, which he then ran for three years.

"He was just applying some of the things that we do commercially at Marks & Spencer to a government organization," said Christopher Littmoden, chief executive of the company's North America operations. "In defense he saw efficiencies in having one buying overhead instead of three."

Derek George Rayner was a management trainee with Marks & Spencer in 1953 when the company's chairman, Lord Marcus Steiff, asked for his thoughts about solving a problem. The young man's advice was so cogent that he was soon rising in the ranks of management, becoming a director in 1967.

In 1970, when Edward Heath became prime minister, Lord Rayner joined the government to centralize military procurement. He also advised Margaret Thatcher in the early years of her efforts to improve government efficiency.

In 1973 he was knighted for his work on behalf of taxpayers, and in 1982 he was given a life peerage.

Lord Rayner returned to Marks & Spencer in 1982 and two years later became the first person from outside the founding families to be chief executive.

Kay Thompson, Who Wrote 'Eloise' Series for Children

NEW YORK (AP) — Kay Thompson, the author of a series of children's books about the adventures of a spoiled 6-year-old named Eloise who lives in a posh Manhattan hotel, died Thursday. She was between 92 and 95 years old, said her lawyer, Arthur Abelman.

Ms. Thompson's original book "Eloise" sold 150,000 copies in the two years after it was released in 1954.

Ms. Thompson also was a pianist with the St. Louis Symphony, a singer with the Mills Brothers and an arranger and singer with Fred Waring's band.

Louis Goldstein, 85, Official Of Maryland for 40 Years

WASHINGTON (NYT) — Louis Goldstein, 85, an indelible figure in Maryland politics as one of the longest serving state officials in American history, died Friday night at his home in Prince Frederick, Maryland.

Mr. Goldstein was elected comptroller of Maryland in 1958 and was re-elected 10 times. Last month he announced that he would seek an 11th term.

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July 8, 1998

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Big Week for Nigeria

Waiting for Abubakar

This week Nigerians learn what are their chances of breaking free from the corruption and dictatorship that the army has fastened upon them for most of their country's four decades of independence. General Abdulsalam Abubakar, successor to强人 Sami Abacha, who died of a heart attack on June 8, is expected to lay out a timetable and rules for the possible restoration of democracy.

In his brief rule he has freed some detainees, promised to release them all and removed some of the strongman's strategically placed cronies. The question remains whether his loyalties to the military command outweigh his obligations to Nigeria's democratic heritage. Nigeria's importance in the African scheme of things makes his decisions crucial to the continent.

The trickiest issue centers on the fate of Moshood Abiola, a businessman who apparently won the vote for president in 1993, stood by as the army annulled the elections and was imprisoned when he tried to claim the office. Mr. Abiola has entered a negotiation with the army about his future.

—THE WASHINGTON POST.

Out With the Generals

The high-level American delegation that landed in Nigeria on Monday is the latest in a stream of international visitors that has so far included British and Commonwealth officials and the United Nations secretary-general, Kofi Annan. All have carried essentially the same message — that General Abdulsalam Abubakar, Nigeria's new military ruler, should carry out a genuine transition to democracy.

There must be a transition, but General Abubakar is not the one to manage it. The job belongs to Moshood Abiola, a civilian who by most accounts won Nigeria's last election, in 1993. When he pressed his claim to the presidency, he was jailed for treason. The visitors have urged his release. But they have inexplicably encouraged him to return to civilian life, which he has apparently agreed to do, and let the military run things for the several months, if not longer, it will take to organize fair elections. Given the sordid history of past military rule in Nigeria, this is a dangerous accommodation.

General Abubakar has taken some reassuring measures since assuming

—THE NEW YORK TIMES.

A Cowboy Has Gone

There is, in America, no more pliable figure than the cowboy. He is whatever we want him to be whenever we need to imagine him. He rides in from somewhere else, driving cattle, chasing bad men, fleeing the past or simply mulling over the landscape as it looks from the back of a horse. He is as artificial as the worst of movies can make him, and he is more authentic than even the truest of stories that are told about him. How richly we have elaborated the myth of cowboys — surrendering the reality nearly completely in the process — can be demonstrated by a simple thought-experiment. Try to imagine a western that could star both John Wayne and Roy Rogers, who died on Monday at 86. It can't be done.

One reason is that Roy Rogers was that almost unimaginable thing, the domesticated cowboy. He had a steady girl and a steady horse and a steady sidekick and, in a sense, a steady job that had nothing to do with cattle but everything to do with being a sort of Stetson Superman, always appearing on the scene of trouble in the nick of time wearing a costume that made Superman look dowdy. (To recent generations, he is known, sadly, only from the restaurants that bear his name.) Into the script that cast John Wayne, trouble would ride unexpectedly from somewhere beyond the horizon. But in Roy Rogers movies, and still more in his television series, which ran from 1951 to 1957, there was no horizon, only the edge of the set.

To the character Roy Rogers played when he was playing himself on screen, trouble came in distinctly limited forms, resolved by a song or a chase embrace with Dale Evans, his wife and partner of more than 50 years. But to those of us who grew up watching Roy Rogers on television in the 1950s, it was not the romance that

—David S. Broder, commenting in *The Washington Post*.

Other Comment

Turning Off the Voters

The signal fact about the coming campaign in the United States, and all campaigns in this era, is that virtually everything the voters see and hear will be generated by people who have no direct responsibility for governing the country and no real accountability to the public.

Almost all the information and impressions that go into the electorate's decisions come either from campaign consultants employed by the candidates, parties and interest groups or from reporters covering them. They are accountable to their individual employers, but none of them has to answer to the voters.

This is not new, but it takes on increased importance when each election cycle brings stronger evidence that the campaigns as engineered by these consultants and reported by these journalists are turning off voters, not encouraging their participation.

What also has become clear is that the two groups would rather blame each other for the problems than accept responsibility for the damage that both are doing to confidence in this system of representative government.

—David S. Broder, commenting in *The Washington Post*.

Herald Tribune

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No Court to Deter the Barbarity in Sierra Leone

By Emma Bonino

BRUSSELS — If an International Criminal Court were already in existence, there would be plenty for it to do. Consider Sierra Leone.

At the current Rome conference to found a permanent Court, all agree that the institution is supposed to be a deterrent. Does that imply that it should wait until events become history before acting? I hope not. A strong and independent Court should also be empowered to act on crimes committed before any peace treaty is signed.

Unspeakable crimes against humanity are occurring in Sierra Leone. The international community seems largely unaware of what is going on.

Hundreds of unarmed civilians are being brutally killed and mutilated by the Armed Forces Revolutionary Council and the Revolutionary United Front, which were forced from power when West African troops helped to restore the democratically elected president in Sierra Leone last February.

Annesty International says the atrocities in Sierra Leone are the worst in Africa at the moment. Among witnesses to those atrocities are UN and other

international observers, as well as various international missions to the region, including a recent EU-U.S. mission.

Rebel forces have engaged in a horrific campaign to terrorize the population through indiscriminate killings, systematic laceration, mutilation or severing of limbs. The victims are men, women and children of all ages.

Hospitals in Sierra Leone and neighboring Guinea have registered hundreds of victims of these attacks.

A mother and daughter with right arms amputated, babies with lacerated skulls, pregnant women and old men with debilitating wounds, and young men with both arms missing are common in the hospital wards of Freetown and clinics in refugee camps in Guinea.

Often the inhabitants of entire villages are rounded up and forced to watch the torture and killing of relatives, be it through beating, shooting, eyes being burned out with acid, babies snatched and killed, slashed with machetes, or amputations of arms above

the elbow or at the wrist. After such attacks, villagers disperse into dense bushland where many bleed to death or succumb to fatal infections. Those who eventually reach safe areas in Sierra Leone, Guinea or Liberia have often walked for weeks through tropical bush feeding only on leaves and fruit.

Such atrocities are not part of traditional warfare in Africa. They are the result of an orchestrated strategy to terrorize civilians, carried out by troops trained in such barbarous techniques.

The systematic pattern of these crimes, as well as the scale of the terror, do not support claims that the rebels are retreating, isolated and beyond control. Field reports indicate that rebel movements could not take place without communication, control and supplies from outside. Crimes on this scale are usually orchestrated.

The international community should rally to find ways of putting an immediate end to violence and abuses against civilians in Sierra Leone.

It is important to provide instruments capable of delivering justice and reconciliation in the country. For Sierra

Leone, as in other countries where the functions of state, including justice systems, have failed or collapsed, the setting up of an International Criminal Court could be an important step on the road to peace and long-term stability.

For the Court to be effective in such a crisis, it must be empowered, independent and resourced to take action.

If the Court's founding conference in Rome does not deliver the goods, perpetrators of large-scale crimes in Sierra Leone and elsewhere will see a green light to continue their foul deeds.

Sierra Leone reminds us that impunity fuels criminal violence in armed conflicts and rebellions.

The writer is the European commissioner for humanitarian affairs. She contributed this comment to the International Herald Tribune.

Israel: High-Tech Fallout in an Unruly Neighborhood

By Thomas L. Friedman

JERUSALEM —

The big talk in Israel last week was that three young Israeli software designers and their venture capitalist backer just sold their two-year-old company, Mirabilis, to America Online for \$287 million. Mirabilis is an Internet communications tool that allows users to talk and exchange computer files while on-line. Israel is now second only to the United States in the number of computer-related start-up companies spawned in the country.

Meanwhile, up north, Syria is still debating whether to allow in the Internet. A Palestinian businessman from Bethlehem who had just returned from trying

to do business in Damascus complained to me: "If I go to Syria and I don't have fax, cell phones or Internet, what do I do? These are my tools."

What does it mean for the future of the Middle East that Syria is still debating whether to get on the Internet and Israel is already designing the next generation of the Internet?

I think it means a lot.

This widening tech gap between Israel and its neighbors (Israel's GDP is roughly equal to that of Egypt, Jordan, the West Bank and Gaza, Lebanon and Syria combined) will si-

multaneously make Israel much less vulnerable to Arab political pressures, terrorism, boycotts and the ups and downs of the peace process, while making it more vulnerable to conventional or unconventional warfare.

In the old days, Israel grew oranges, Morocco grew oranges, Spain grew oranges. If importing countries were upset with Israel, they could easily punish it by buying someone else's oranges. But what happens when there is only one Mirabilis?

What happens when an Israeli company near Tiberias is

the only one in the world which makes a key Ethernet switching chip? What happens when Israeli companies start to dominate a key tech sector like on-line tools for Internet security?

What happens is that everyone comes courting Israel, no matter where the peace process is.

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In the old days, Israel grew oranges, Morocco grew oranges, Spain grew oranges. If importing countries were upset with Israel, they could easily punish it by buying someone else's oranges. But what happens when there is only one Mirabilis?

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But It's Too Soon to Trust in Beijing

By Esther Lam and Robert Stone

HONG KONG — As Hong Kong starts its second year as a Special Administrative Region of China, some key things remain as they were before the handover last July. Hong Kong has retained all the features that made it so successful under British administration.

Hong Kong still has the British legal system and the rule of law. Its people still enjoy freedom of speech, freedom of worship and freedom to travel. We still use the English language. We still have low taxes and low government spending. In other words, China's promises of continuity and autonomy have been honored.

Some specific, limited changes relate to the change of sovereignty. Hong Kong has a new flag. We have a local chief executive, rather than a British governor. We also have much warmer relations with Beijing.

But one change in Hong Kong stands out above all others. The economy has started to undergo a structural transformation. The last time this happened was in the late 1970s and early 1980s when the territory made the transition from manufacturing to service industries. About a quarter of the work force moved from factories to offices.

Hong Kong is undergoing equally decisive changes today, which are necessary to its continued success. They are not a consequence of the handover or a direct result of the Asian financial turmoil. Even without

taken it for granted that the stock market has risen fivefold in the last 10 years, and that property prices have increased sevenfold since 1986 (even after a sharp drop in the last 12 months).

Hong Kong now faces a future of positive real interest rates. This is likely to make companies more cautious about investing, prompting them to concentrate on longer-term returns. It is likely to mean that people increasingly buy property to live in rather than to sell at a profit three months later.

A less property-driven economy will have more stable prices. The middle class will have to find an alternative to real estate as an investment. Banks will have to plan to live with slower mortgage business.

Against these adjustments must be weighed the benefits of a lower-inflation environment. Property prices, salaries and most business and personal costs rocketed in the 1980s and 1990s. There is no way that this could have continued.

The Asian financial crisis has forced Hong Kong to look at itself in the mirror and face some realities. We must choose between ever rising prices or high returns for investors. We cannot have both.

If Hong Kong becomes more competitive, as I believe it will, it will open a new but very exciting era that will coincide with the greatest restructuring of any economy in history on the mainland of China.

The current economic slowdown in Hong Kong fades into insignificance when you look at the opportunities in China. They will be very substantial, not only for Hong Kong companies but for all businesses using Hong Kong as a base.

The writer is chairman and chief executive of The Bank of East Asia Ltd. in Hong Kong. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

OPINION/LETTERS

A Century of Building Blocks for the New Europe

By Fritz Stern

BERLIN — Europe's short century that began with the Great War in 1914 and ended with the self-liberation of Eastern Europe in 1989, a century short in years but long in horror, was very much part of Europe's historic process. But it was also a period when the great ideological regimes repressed dissent and unauthorized conflicts.

We are in some measure witnessing the return of the repressed. We see that some themes of the beginning of the century have acquired a new relevance.

The Great War, that terrifying explosion of conflicts among and within European nations, paved the way for further disasters: Bolshevism, fascism, National Socialism — although one must remember that these three forms of organized violence first appeared as projects of great promise. Millions of people saw Bolshevism or National Socialism as offering salvation, messianic visions in an uneasily secular society.

They were pseudo-religious movements, which should not be so easily linked as has become fashionable; the differences were considerable. What these regimes had in common was their effort to direct, to control history.

They wished to build a different future, to create a new man, to extinguish spontaneous expressions of rival thoughts, and to dictate a past that would sustain their twisted visions of the future. George Orwell brilliantly understood the centrality of history for totalitarian regimes: "He who controls the past controls the future; he who controls the present controls the past."

In short, the great empires of ideology and violence repressed antecedent social and national conflicts and decreed a distorted vision of the historic past.

Consider that for more than 70 years the peoples of the Soviet Union were taught an ever-changing but always false history. Hence the joke from Soviet times: "The future is certain. It is only the past that is uncertain."

The people of the former East Ger-

many suffered a similar fate for about 50 years — minds filled with decreed history, minds emptied of any genuine sense of the past. Such minds are ill-prepared for the tasks of democratic citizenship.

□

The very existence of the new Europe, post-1989, is related to the past. The founders of the European Community had grasped the lessons of Europe's past: that only a slowly integrating Europe could transcend the nationalist rivalries that had engendered the wars of Europe after the end of the religious conflicts.

In their struggles for liberation, the peoples of Eastern Europe sought to regain their European patrimony. The Iron Curtain did not, could not, sever the ties that bound the countries of Eastern Europe to the more fortunate countries of the West. The peoples of Eastern Europe rebelled — against, among other things, enforced mendacity.

What we have seen in the last decade, the first of the new Europe, is the re-appearance of the most savage nationalism or ethnic outbursts — the barbarism that erupted in the former Yugoslavia. But nationalist intolerance seems to be gaining ground elsewhere as well. I fear that at the very moment of further European integration, and partly because of it, nationalist and xenophobic thoughts and actions seem to be acquiring greater popularity.

But the new Europe was also born with a commitment to human rights, fruit of the lessons of the past.

The new Europe, which has abjured violence among its member states, will have to contend with nationalist violence, mostly but not only within states. It will have to recognize that there are minorities with a long historic record that seek greater recognition, such as the Basques.

The new Europe has yet to establish

a stable security system, but already the present presumption against war is unprecedented. War among states has been the hallmark of modern Europe. It is a world-historical change that today a war involving the great powers of Europe is unthinkable.

This condition deserves to be celebrated and protected — but it will have consequences as well. To put it differently, the threat of war has been radically diminished, but other forms of aggression threaten us.

Criminality evokes calls for law and order in turn may injure the liberal, tolerant order of state and society. We face as well the threat of organized terrorism. The anarchist of the late 19th century threw bombs; the terrorist of today can resort to biological warfare and take advantage of the most sophisticated means of communications.

In our century, nationalist ambitions and presumptions have induced or prolonged wars. The passions of nationalism, in some places long suppressed, have surfaced with a vengeance — not only in the Balkans, but also in the peaceful areas of Europe.

The process of integration and the huge economic inequality among nations within and outside Europe have brought about demographic changes that we subsume under the term "multicultural societies." We face resentments against foreigners, expounded and exploited by extreme-rightist parties; even some respectable conservative parties are tempted to follow the siren song of national protectionism.

We have become, some people assert, a permissive society — but the leap from permissive to prohibitive is all too easy. The great enthusiasm for Europe that first supported the construction of a new Europe has dwindled or become ritualized. The wish for purely national communities may grow stronger.

I see ominous stirrings within civilizations — a worldwide surge of fundamentalism, new orthodoxies and intolerance. We see it in Islam, in the so-called Christian right in the United States, in Israel and elsewhere. We see it most tragically on Europe's doorstep, in Algeria.

Fundamentalism takes different forms, but its opposition to a secular, liberal order — to all the values identified with the European Enlightenment — is clear. The fundamentalists believe themselves to be in the possession of the truth; they are deaf to the voices of reason and tolerance, or if they do hear them they wish to silence them.

□

In the new Europe, we should remember that Germany dominated much of Europe's century.

At the beginning of the century, Germany was the most powerful nation in Europe, buttressed by immense achievements in science, industry and the arts, enfeebled by a deeply flawed political system. Germany's leaders sought to win hegemonic power in Europe, and its neighbors learned to fear the colossus in their midst.

Germany is again the strongest power in Europe, but it is a fundamentally changed country — it has shown a capacity for pacification at home and abroad.

Germany has gained a second chance, a chance to use its power in a constructive, reasoned and peaceful fashion. The tasks will require feats of tact and statesmanship — and the ready cooperation of its European neighbors.

□

Clearly, the past continues to haunt the present. In most countries the past has again become a battlefield of interpretation. Most nations today are engaged in some form of soul-searching, in re-examining past conduct. To confront history in this fashion is unprecedented, as have been the acknowledgments of guilt or the formal apologies tendered for past injustices.

Some of these apologies have been forthright, others hedged, but the process has contributed to Europe's pacification.

The methods of investigating the past vary, the themes are often the same: the record of collaboration or resistance. But the two are not always neatly separable. It is banal that Manichean notions of pure and impure, of light and darkness are unhistorical.

The record of the past cannot be buried. We read of the dramatic moments in this general reappraisal: the Papon trial in France, the re-examination of the Swiss record and that of other neutral countries, the revelations about German corporations. This unblinking search into the past is necessary, painful and divisive.

In the old Federal Republic, after early years of gaily evasion, the effort at educating people, especially the young, about the past, has been impressive — although I am aware of attempts at relativizing the past.

People may rush to judgment without understanding the historic-psychological context of given actions or omissions. Under great pressure, the Swiss government, by appointing an international team of historians, chose a remarkable mode for re-examining the past.

We tend to swing from one extreme to another: from glorifying our past, denying crimes, to systematically detracting from the past, to fastening only on the misdeeds of individuals or peoples.

The other day in Budapest, I saw that behind the Great Synagogue a small commemorative garden had been created. In the middle was a sculpted tree with the names of some of the victims of the Holocaust and behind that tree, two pillars in marble with the names of some of the righteous ones. Future generations need to be reminded that even in darkest times some men and women followed an inner command of human decency.

□
The new Europe needs its own history as a continent. For hundreds

of years, Europeans were schooled only in their national history. With the founding of nation-states, great historians such as Michelet and Macaulay wrote the epics of their people.

But there was always a European commonality: Europeans fought and lived together. European culture was the ferment of every national culture. In the new Europe, the history of each country should be taught in its proper context — in its steady interaction with other peoples, so obvious in the fields of science, literature, and the arts.

History, properly conceived, should nurture European consciousness.

□

We live in a profoundly ahistorical age. Our knowledge of the past remains dim; our consciousness is dominated by headlines, by snippets from the screen that tell of the latest crisis or atrocity. In a globalized world our attention shifts rapidly, our perspective has broadened, our understanding has narrowed.

My own profession has much to answer for. Historians scatter their efforts in excessive specialization. They ignore the larger public and resist the literary demands of earlier times.

The builders of the new Europe thought in historical terms. They had a sense of the historic process, of the openness of history, of the place of contingency and the necessity of vision. All that is better than anxiously focusing on the results of the latest opinion polls.

The leaders of today are all too often caught up in crisis management and in pursuit of electoral gains; the public is tired or suspicious of grand designs. Hence the place for nongovernmental organizations, for the great foundations, to analyze issues critically and clearly, to propose reforms, to set goals. They could do worse than to provide examples of lucidity, of respect for the language.

The new Europe, a hopeful yet endangered creation, cannot escape the legacies of the past. My wish would be that the citizens of this new Europe remember the deceptively simple demand that sustained Vaclav Havel's fight against oppression: the need to live in the truth.

At the end of our century, and in no small measure thanks to the peoples of Eastern Europe, Europe's citizens have the freedom to live in the truth. That is the promise of an open, liberal society. Whether people will exercise that right will also depend on the conduct of their political and civic leaders, on the example they set.

The writer is a professor of history at Columbia University in New York. This essay has been adapted by the International Herald Tribune from an address on July 4 at the International Bertelsmann Forum in Berlin.

In America, Even Teachers Lack Adequate Education

By John Silber

BOSTON — This spring, Massachusetts administered its first statewide test for candidates hoping to teach in the public schools. The recent announcement of the results has provoked astonishment and outrage.

Almost 60 percent of the candidates failed. Thirty percent failed a basic test in reading and writing, and the failure rate on subject-matter tests varied from 63 percent in mathematics to 18 percent in physical education.

When the results were published, the reactions were predictable: approval from those appalled by the

MEANWHILE

decline in the quality of public schools and howls of complaint from education professionals.

The greatest controversy surrounded the results of the reading and writing test, since literacy is the essential requirement for the teaching of any subject.

It should not be thought that this examination was excessively demanding. In one section of the test, a short paragraph from the Federalist Papers was slowly read aloud three times as candidates wrote it down.

How could educated people fail to copy accurately what they had heard? Scores of applicants recorded broken sentences and curious new spellings, such as "improbably," "corrupt," "integrit," "bodyes" and "relif."

The writing test also included casualties in grammar, syntax, dictation, spelling and logic, producing sentences such as: "This method of observation should not be abroad under any circumstances."

No responsible person would subject anyone's children, much less his own, to such teachers.

The dismal results have led some to fault the test, claiming it had not been validated. In fact, it was validated by the teachers and scholars who prepared it, all experts in the areas being tested.

The exams were validated again by the panels of teachers, administrators and college professors who reviewed the questions for fairness and agreed on minimal passing scores. To pass the various sections of the reading and writing test, applicants needed to get 71 to 78 percent of the answers right.

Some critics have said the tests were racially biased. The statistics show otherwise: 21 percent of blacks, 23 percent of Asians, 24 percent of

Hispanics and 31 percent of whites answered 89 percent or more of the items correctly. These variations are insignificant, and the slightly higher success rate for whites can be explained by socioeconomic factors.

Others objected that no test can prove that a person will be a good teacher. But the failure to pass a test can prove that one is incompetent to teach.

Another objection was that no study guide was provided. But why should those qualified to become professionals teachers need a guide on how to study in a test in English or in a basic subject in which they have specialized?

The results were not surprising, because they are similar to those in other states where comparable tests have been given. The controversy over the test has obscured the real story, which is that so many prospective public school teachers failed a test that a bright 10th grader could pass.

This is a telling indictment of higher education in America.

Professors routinely complain about the illiteracy of freshmen. Many other instructors, however, contribute to the problem by being overly generous in their grading. Grade inflation has reached the point where even outstanding students are often deficient in writing skills.

Nowhere are standards lower than in schools of education. In 1997, the average combined Scholastic Assessment Test score for all students was 1,016. But those hoping to become teachers scored only 964, 5.1 percent below the national average.

One way to compensate for low scores among prospective teachers is to offer extensive remedial work and impose rigorous standards. But that rigor is rarely found in schools of education. Most have standards so low that they repel the highly qualified students who are desperately needed.

America became a literate country before there were any schools of education. We would be justified in demanding that schools of education either raise their standards or shut their doors.

The writer, chancellor of Boston University and chairman of the Massachusetts Board of Education, helped design the test given to prospective teachers in Massachusetts. He contributed this comment to The New York Times.

BOOKS

MAN OR MANGO: A Lament

By Lucy Ellmann. 240 pages. \$22. Farrar, Straus & Giroux.

Reviewed by Michiko Kakutani

ELLOISE, the cranky heroine of Lucy Ellmann's darkly comic novel, doesn't care much for other human beings. She has moved to the English countryside and begun a new life as a hermit. She had tired of death and disappointment, her own guilt and sorrow, and the distress of others," Ellmann writes. "She had tired of the speed with which things happen. She had tired of boring human business, human bodies. She had tired of streets, buildings, farm produce, 'romantic' bathrooms. She had tired of the News! She had tired of her species. So she set off to construct for herself the illusion of a less populated world, in which no one knew or cared who or what she was and she in turn was free to care about no one."

Elloise the curmudgeon has a lot in common with Suzy, the sourpuss heroine of Ellmann's first novel, "Sweet Desserts" (1989), which won the prestigious Guardian Fiction Prize. Ellmann's use of this technique not only feels a little tired the second time around, but also has also become a formulaic means of putting her heroine's self-pitying life into perspective. After all, what individual's petty romantic and familial concerns don't pale in comparison with the great tragedies of history? As Humphrey Bogart put it in "Casablanca" (also alluded to in this novel), "It doesn't amount to that."

What keeps "Man or Mango" from devolving into a predictable portrait of an

unhappy woman are Ellmann's raucous, bawdy sense of humor and her highly tuned radar for the absurdities of modern life.

She has imbued both Eloise and her estranged boyfriend, George, with these same qualities, and they emerge as two of the most dyspeptic and savagely funny characters to talk their way through a recent novel.

Between the two, virtually nothing in contemporary English or American life escapes unscathed. George, a sometime screenwriter who is writing an epic poem about ice hockey, rails against the jingoistic pride of the British.

He denounces the stupidity of American settlers: "Who else could come up with names like 'Dekalb,' 'Denver,' 'Ironton,' 'Garson,' 'Belcher'?" And he mocks the plight of single women who like to play the cello: "How do all those little girls have the prescience to realize they're going to end up alone and forgotten and in need of a huge human-shaped object to wedge between their legs?"

Of course, Eloise is so angry, and so sad, that she is still pining away for George, who six years ago dumped her and returned to his wife. The loss of George has heightened the sense of abandonment Eloise has felt since her parents died, and she has willfully translated her loneliness and hurt into a prickly defensiveness. For six years now, she has lived like a hostile, faithless nun; for six years, she has nurtured her mistrust of the world.

In slowly revealing the events behind Eloise's existence as a hermit, and orchestrating the events that will put Eloise and George on a collision course toward an uneasy reunion, Ellmann demonstrates her ability to write uproarious, pitch-black comedy and to probe more heartfelt, painful emotions.

The novel's stock endings like its annoying interpolations, not only undercut the poignancy and humor of Eloise's story but also coat the entire book with a pretentious gloss. In the end, it's a defensive strategy, not unlike Eloise's posture toward the world, that distract attention from Ellmann's rich and very real talents.

The New York Times
That is the report from more than 2,000 schools throughout the United States. Work on the list are not necessarily consecutive.

FICTION	Author	Pub. Co.	Week
1. <i>I KNOW THIS MUCH IS</i>	Wally Lamb	1	1
2. <i>THE LONE AND I</i>	David Sedaris	1	1
3. <i>UNSPEAKABLE</i>	Sandra Brown	6	2
4. <i>SUMMER SISTERS</i>	by	2	3
5. <i>A WIDOW FOR ONE</i>	YEAR	1	8
6. <i>THE ELEVENTH COMMANDMENT</i>	by	1	1
7. <i>THE STREET LAWYER</i>	John Grisham	11	20
8. <i>BRIDGET JONES'S DIARY</i>	by Helen Fielding	3	3
9. <i>THE LAST FULL MEASURE</i>	by Jeff Shaara	8	3
10. <i>COLD MOUNTAIN</i>	by	7	52
11. <i>MESSAGE IN A BOTTLE</i>	by Nicholas Sparks	5	11

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FRANCE MOVES TO TAX RELIGION!

French tax administrators have jeopardized basic human rights by imposing a punitive 60 percent tax on the third-largest Christian religion in France. If the tax laws can be used to suppress one religion in France, then many religions and nonprofit organizations are at risk.

An open letter to the President of France

Governing Body of Jehovah's Witnesses

124 Columbia Heights, Brooklyn, New York 11201, U.S.A.

July 1, 1998

The Honorable Jacques Chirac
President of France

Dear Mr. President,

In a shocking display of religious discrimination, the French tax administration has launched a serious attack on religious freedom and human rights. Seeking to impose a 60 percent tax on the individual religious donations of more than 200,000 French citizens, the tax authorities have raised the specter of taxes for other religions and nonprofit organizations throughout France.

The decision followed a tax audit that lasted a year and a half. In the audit, the *Association Les Témoins de Jehovah* (Association of Jehovah's Witnesses) was found to be a not-for-profit organization, not subject to tax for business activity. Nevertheless, on June 22, 1998, the local tax office placed a tax lien on the property of the French Association of Jehovah's Witnesses, alleging that the contributions of individual members of our religion are taxable. The assessment, which covers a four-year period, amounts to some 300 million francs (\$50 million, U.S.). This is the first time Jehovah's Witnesses have ever been subject to such a tax in their 100-year tenure in France.

We feel this is clearly discriminatory and unjust. We believe the entire assessment arises from an erroneous application of the law governing the exercise of religion, and it could affect donations to any religion, charity, or not-for-profit organization the tax administration chooses to target in the same manner.

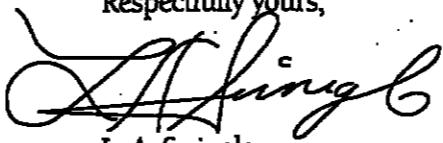
Human rights violated

The ability to practice religion freely is a basic human right, supported by the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, and the Constitution of the French Republic. Yet the tax authority believes it has the right to use its power of taxation arbitrarily to restrict some religions but not others.

Jehovah's Witnesses in France will challenge this gross act of religious discrimination. They will do this not only to avoid an unjust and oppressive tax but also to help assure that all French people enjoy freedom of religion.

Mr. President, we are confident that you believe in the principles of liberty, equality, and fraternity. We therefore ask for your support in removing this unjust and discriminatory tax and avoiding a dangerous threat to religious freedom and human rights in France.

Respectfully yours,



L. A. Swingle
For the Governing Body of Jehovah's Witnesses

July 1, 1998

INTERNATIONAL

For Israel, Immigration Dilemma

As Economy Grows, State Becomes Stricter on Whom to Let In

By Lee Hockstader
Washington Post Service

JERUSALEM — He was reared as a Christian and as a black in America. But in his domestic life and personal convictions, Elazar Yaisrael, a truck driver from Chicago, is as serious about Judaism as many Israeli Jews. He keeps a kosher kitchen, has studied the Torah and gave all four of his children Old Testament names.

Mr. Yaisrael, now in his early fifties, changed his name and underwent a formal conversion to Judaism 10 years ago in Los Angeles. He applied for Israeli citizenship in 1996 and, after months of red tape, received his documents.

But when he tried to immigrate to Israel in May with his wife Sarah, also a convert, four children and two grandchildren, alarm bells went off in the Israeli government. He was stopped at the airport, detained for hours and told that while he could immigrate his family was not welcome for more than a short stay.

"I've come here to live a Jewish way of life," said Mr. Yaisrael, a soft-spoken man with long, gray dreadlocks and a ready smile. "I'm trying to save my children from the black situations in the neighborhoods, the gangs and all that."

The Yaisraels, now living in administrative limbo under threat of deportation, are a testament to Israel's deepening confusion about who qualifies as a Jew and who, therefore, is entitled to live in the Jewish state.

The question is not only religious, legal or racial, although it is tinged with all three. At its core, perhaps, is an economic issue. As Israel's wealth and living standards begin to draw even with Western Europe's, the country has become more wary about who is immigrating and why.

Bobby Brown, an adviser to Prime Minister Benjamin Netanyahu said that if any person on the basis of declaring themselves Jewish would be allowed to immigrate under the Law of Return, then anybody in a country with a GDP per capita of less than Israel's \$17,000 would immediately be interested in coming to Israel. In the last few years, non-Jewish immigration to Israel, legal and illegal, has soared with the arrival of more than 200,000 foreign workers and at least that many Russian immigrants with little or no connection to Judaism. For the first time in Israel's 50-year history, a significant portion of its population of nearly 6 million — perhaps 10 percent or more — is neither Jewish nor Arab.

The influx of non-Jewish immigrants has coincided with a deepening and bitter split in Israeli society between sec-

ular and religious Jews. That in turn has fed a debate that touches the core of Israel's image of itself. Should it be a religious state dedicated to Orthodox Judaism? A "normal" state with a preponderance of Jews, some devoutly Orthodox, some simply traditional and some completely secular? Should it have qualms about admitting non-Jews?

"It's a question of identity," said Yaron Ezrahi, a prominent Israeli political philosopher. "In the past, the state has committed itself to being a Zionist state where all Jews can experiment with all forms of Judaism. But at the same time the right-wing government is giving the Orthodox more and more control."

Among the areas of government in which Orthodox political parties have the most control is the Interior Ministry, which oversees immigration and citizenship. When Mr. Yaisrael and his family arrived at Ben-Gurion Airport on May 11, it was the Interior Ministry that raised the alarm.

Although Mr. Yaisrael and his family

could have presented U.S. passports and been admitted as tourists, he also submitted his Israeli identity card at the airport and declared his intention to immigrate. In fact, he had spent \$10,000 — much of his savings — to buy one-way air tickets for the whole family and to ship their furniture and household goods from Chicago.

Interior Ministry officials were suspicious. Part of their concern had to do with the Black Hebrews — a sect of American blacks living in Dimona in southern Israel — who immigrated illegally, are not considered Jews and have long been a thorn in the side of the government.

Ministry officials also doubted the Yaisraels' commitment to Judaism.

The Interior Ministry has insisted that all the Yaisraels except Mr. Yaisrael, who already has Israeli citizenship, return to the United States to apply for permission to immigrate. The family is fighting. "I moved everything here," Mrs. Yaisrael said. "What would I go back to?"



GIAT Toulouse

PROTEST FOR JOBS — Employees of the French state-owned defense group GIAT Industries protesting Tuesday in Toulouse against government plans to cut 3,600 jobs. Meanwhile, the defense minister said France was prepared to pour more money into GIAT, which has cost it 8 billion francs in the last year.

SUDAN: Famine Crushes the Beleaguered South, Despite Warnings and Pleas From International Aid Agencies

Continued from Page 1

general outlines of the famine are as predicted.

Since then, UN cargo planes have flown almost constantly, dropping bags of cereals and high-calorie mix at three times any previous rate. By all accounts it remains too little.

"It's getting worse," said Charlotte Kragboll, a Danish nurse who spends her days trying to cull the most dire cases from hundreds who gather in the heat, 38 degrees centigrade (100 degrees Fahrenheit) — outside the gates in Ajiep. The village is in Bahr el Ghazal, the southwestern Sudanese province hardest hit by food shortages.

In the south, the people are black and mostly Christian or animist. Many of them have been battling Sudan's central government for nearly four decades. The government is dominated by northerners, who are Arab and Muslim.

The disruption has been profound.

Recently, Arab horsemen of the government's Popular Defense Force galloped through villages of the Dinka tribe, burning, shooting and frightening people off their land.

"The people left without anything in their hands," said Zeffering Ayri, the headman of the villages in the area.

When the Dinkas returned, the planting season had passed and weather patterns associated with El Niño delayed

the rains that normally nourish pasture lands and river-fishing.

"They are living on leaves from the trees," Ayri said.

The emaciated crowds outside the Doctors Without Borders compound testify to the inadequacy of the airlift. Workers dispense only a few boxes of fortified biscuits and a small bag of high-energy porridge called Unimix to each family once a week. General food distribution remains the province of the United Nations World Food Program, with an effort called Operation Lifeline Sudan. Independent agencies such as Doctors Without Borders operate what are called "supplementary feeding centers."

"Supplementary to what you might ask," a nurse said, after tending to a writhing carried by his brother. "The problem is we can't give him a full ration. If we can't give him a full ration, it's the fault of the international community."

Lu Nakel, a German doctor, said: "The food from outside which is supposed to be here is not here."

UN officials acknowledge the shortfall. The last food drop at Ajiep, on June 7, was enough for 18 days. When the food in Ajiep began to run out two weeks ago, resupply was still weeks away.

The failure underscores the tenuous nature of the rescue operation: a permanent bureaucracy that has been un-

able to keep pace with a rolling disaster. And the disaster has been predicted in general terms since last September.

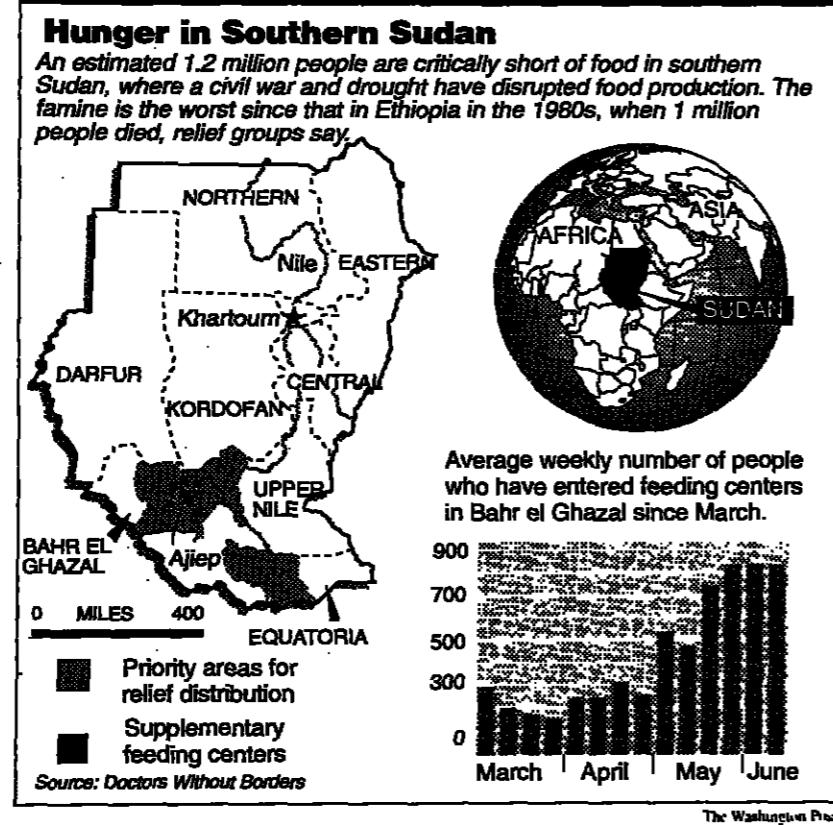
The World Food Program managed to raise only 50 percent of its appeal from donors last year, according to Brenda Barton, a spokeswoman. She said related programs operating in Sudan fared even worse. Blame fell on "donor fatigue" associated with a region that has been suffering food shortages since Operation Lifeline Sudan was established in 1989. That was when 250,000 people died of hunger in Bahr el Ghazal.

In Sudan, a bad situation grew worse in February and March, when the government banned relief flights. After an international outcry, the lid was slowly lifted, and by June the United Nations had access to all of Sudan — but it lacked the planes to reach it.

In the meantime, death rates in southwestern Sudan have steadily risen. By late June, the situation qualified for a term the United Nations had carefully avoided until late last month: famine.

■ Fighting Disrupts Aid

More than 700 malnourished children were left without food when fighting between rebels and government troops forced aid workers to evacuate a town in southern Sudan. Doctors Without Borders said Tuesday. The Associated Press reported from Nairobi. About 25 relief workers were evacuated on June 29, it said.



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KOREAN AIR BEYOND YOUR IMAGINATION



Gesher Theater company members with their director, Yevgeni Arye (seated in front, in white shirt).

Cohen & Son: An Old Tradition

By Mike Zwerin
International Herald Tribune

PARIS — Fortunately, Adam Cohen was "young, naive and arrogant" so he did not get too depressed about all the rejected demos in his past. It wasn't harder for him than for anybody else but, still, it was harder than he'd anticipated. He just kept "plugging away."

Now, at the age of 25, a first self-titled album has been released by Columbia. In retrospect it was like a virus — something he had caught and could not seem to lose. He believes success "could have been interpreted as inevitable" from the beginning — the result of "assimilating and shuffling through influences to come out with my own identity."

His father's manager's office helped him process the product, package it and the mail boy took it to the post office. This is tedious work, but it can be an insight into power. Don't forget that David Geffen got his start in the mailroom of the William Morris Agency. Power fills a vacuum.

Harnessing the necessary power as an up and coming singer-songwriter can hardly be much of a problem when your father is Leonard Cohen. At the very least, the mailed packages will be opened.

By now, Adam has concluded that those early rejections were in fact healthy for him. They toughened him up. They were his own rejections, nobody else's. And he is proud that his current acceptance is also all his own.

He looks at it this way. Nobody was interested in his music before, nobody. And he was already his father's son. And this time the interest was close to unanimous. It even turned out that he had a choice of labels. He believes the answer is that he got better at his trade and the work was now sellable because it was "worrying." It was a great feeling of validation.

Validation or not, the album, "Adam Cohen," was released on June 23 in Europe. It will not hit the stores in the United States until July 28. This is backward for American pop. Leonard Cohen has enjoyed greater popularity in Europe, particularly in France, where they love singing poets. And Adam profits from that.

The Cohen family speaks fluent French. Adam's mother, Suzanne, has lived in Paris for 20 years. She is a painter who works as an official copyist at the Louvre. Adam says "my mom considers herself something of an allegorical figure." He has traveled around the world with his father. He has visited and/or



Adam Cohen, at 25, has just had his first album released.

lived in New York, Paris, the Vaucluse in southern France, London, the Greek island of Hydra and Quebec ("My father is a member of that detested minority, an Anglophone in Montreal").

But he considers the name no big deal. Whether or not it helped his career, the syndrome is nothing new. History is full of father-and-son businesses. From carpenters to baseball players, royalty and even clergy, fathers have passed on their names, reputations, clout and knowledge. Cohen & Son represents an ancient and honorable tradition.

He compares the role of genes to a fortune cookie. "You get a fortune cookie and it says something and you can choose to believe it or not. Actually the result of that decision is more your fate than the specific information the cookie contains. In other words, your character is really your destiny. The kind of person you are going to be is dictated by the follies and the errors of the decisions you make, the consequences of whatever vanity or absence thereof that you possess and how you deal with those consequences."

There must first be a cookie, however, in order for a cookie to crumble. He says that his sister, also a painter, inherited their mother's sense of color, while he has his father's musical gift. (His parents are divorced.) At the age of 5 he was already tapping on wine glasses with spoons like a drummer (he also plays guitar and piano) at the dinner table: "It's like each of our parents had their own child."

The knowledge that the odds are in your favor does not automatically reduce insecurity. It has become a habit for audiences to applaud performers as they appear on stage. They are cheered for just emerging from the wings, before proving they can still do it. Some con-

certgoers refuse to contribute to such photo-approvals as a matter of principle. After all, they are not applauded for showing up at the office.

Cohen, on the other hand, needs all the acceptance he can get: "I just love it when you walk on stage and before you even start, only your entrance creates applause. It's the kind of warmth that you search for all your life."

Bearing that in mind, it is not surprising to hear him say: "I have a great amount of anxiety about this whole thing. I need some tangible evidence that what I'm doing is going to be rewarded and that I'm actually going to be able to have a career. I would sure like to feel less less."

At first glance, it might seem unfair to persist in comparing Cohen to his father. Except that this is one big reason to interview him in the first place. Who he is makes what he does dramatic. Fitting him into context involves the ancestors as well as his young contemporaries.

The overwhelming majority of contemporary songs are melodic — in the sense of the basic breakdown of melody, harmony and rhythm — rather than melodic — tuneful, catchy, hummable. And they are formulaic. The new is in fact borrowed.

Leonard's songs are tuneful by design. It is as though he reinvented melody by absenting it. Melodically, their scale could hardly be more minimal. That is their charm and their signature. His songs are chanted poetry, monodic laments with almost Gregorian solemnity.

THE father retreats to a Buddhist monastery for weeks at a time to meditate and work (armed with a fax machine). Adam prefers to work late at night while the city sleeps. And he comes up with some pretty sharp late-millennium one-for-the-freewheel hooks:

"I really wanna know your sister / I really kinda like your sister / I really wanna know your sister / She's so much like you . . . and 'That's the kind of friend / That you can always depend on / To never ever let you down / Until you least expect it . . .

"I come to the table." Adam concludes, "with very clear song ideas. And I'm good at instructing musicians who are better than me to do something with them that pleases me, and hopefully will please others. I have that in spades, man. But not with songs by other people. I'm a self-serving musician. I have a great disinterest in playing anybody else's music."

Iconoclast in the Wings in Moscow

By George W. Loomis

MOSCOW — Operagoers bored by the Bolshoi Theater's artistic routine have increasingly gravitated to the Helikon Opera, the 8-year-old creation of the young director Dimitri Bertman.

His unorthodox approach to opera production has attracted a large following, and many of the cognoscenti here now view the Helikon as offering the most artistically vital performances in town. Its audience pays \$30 a ticket, nearly double the top at the Bolshoi.

But then there are only 200 seats to fill, since performances take place in the ballroom of the former home of Princess Shakovskaya, the noted 19th-century patroness of the arts.

This splendid venue in the heart of the city, with its elegant foyer, is sometimes the only traditional aspect of an evening at the Helikon.

Among Bertman's accomplishments are a "Traviata" in which the main prop is a bed, and a "Queen of Spades" in which the countess makes her crucial, ghostly appearance bare breasted.

Iconoclastic touches like these may seem old hat in the West, but the Helikon marks a return to experimental theater in Russia after decades of repression, and the people love it.

Bertman's energetic new staging of Offenbach's "The Tales of Hoffmann," unveiled last Saturday, is bursting with activity, though I could not begin to find a rationale for everything — a Spalanzani in drag, for instance, or a Crespel who works at tuning an old piano while his daughter sings herself to death.

Central to the action is the Helikon's multitalented chorus, whose highly synchronized, often sexually suggestive stage movements counted for as much as its singing.

But Bertman has a habit of playing loose with the score as well as the drama. This pruned and rearranged "Hoffmann" kept most of the musical numbers, but the omission of connective tissue made the action hard to follow.

The performance followed current practice by restoring music for the double role of Hoffmann's Muse and his companion Nicklausse, here an enigmatic figure who clearly has something

going with Hoffmann's nemesis, though the hero wins her at the end. He and the Muse were locked in an embrace during the final apotheosis, which came off superbly, thanks both to its stirring music — which has only recently taken its rightful place in this textually complicated score — and to the gorgeous singing of the mezzo Larissa Kostyuk as the Muse.

Indeed, the caliber of voices Bertman has brought together suggests that the Helikon really is a potent artistic resource and not just a blazing meteorite.

Marina Andreeva was a sensational Olympia, singing much of the famous aria with her skirts hoisted to a level that matched her unusual but stratospheric vocal embellishments.

But Hoffmann's other lost loves were good too — Elena Kachura, a passionately lyrical Antonia, and Elena Yonova, a sensuous Giulietta. Vadim Zaplechny was a fluent, secure Hoffmann, and Sergei Toprygin sang the four villains with inky tones. The veteran Kirill Tikhonov conducted with authority.

George W. Loomis is a music writer based in Moscow.

An Israeli Theater's Success Story

By Serge Schmemann
New York Times Service

TEL AVIV — Making theater in Israel would seem a daunting task, what with a history more intense than any drama, a potpourri of cultures that have resisted melding and a life forever mired in crisis. Yet these are the very ingredients that Yevgeni Arye has conjured to propel his Gesher Theater to a predominant position in Israel in less than seven years, a troupe that has received raves both inside the country and beyond.

Actors at the Gesher, initially composed entirely of Russian émigrés, performed in Hebrew before they had mastered the language and rehearsed their first production under the scream of Iraqi rocket.

Their plays daringly grasp at the very heart of Israeli history.

Take the two the Gesher is bringing to New York as part of Lincoln Center Festival '98, which opened Tuesday. One, "Adam Resurrected," invokes the Holocaust through a circus in a madhouse in the Negev Desert; the other, "Village" portrays a pioneering Jewish settlement, before the State of Israel was proclaimed, as seen through the eyes of a youthful naïf who travels through space and time on a carousel. All this is done in that grand Russian tradition of high passion and a swirl of light, music and motion, and in both Hebrew and Russian to boot.

Such heady concoctions have proved wildly popular in Israel. At the converted warehouse in the old Arab port of Jaffa where the Gesher performs, productions are generally sold out three months in advance.

Success has also come abroad. In its relatively short life, the Gesher — the word means bridge — has traveled, among other places, to New York, Berlin, London and Avignon, France. Later this year, Arye plans to take the troupe to Russia.

Their first show, in 1991, burst upon an astounded theater public literally like a rocket taking off, like fireworks," said Helen Kaye, the theater critic for The Jerusalem Post. "Critics went mad, audiences went mad, because nobody had ever seen this kind of passionate, committed, utterly marvelous theater."

The commitment arises largely from the venerable Russian tradition of a theater company as a "personality cult" — to borrow a concept from Stalin — a collection of permanent actors completely

dedicated and subject to the vision of their director. An intense, bearded man of 50 who admits that his Hebrew is still a full third behind his Russian and English, Arye doesn't see how a theater can be shaped any other way.

"This is the main difference between us and the Cameri," he said, referring to one of the best-known theaters in Israel. "They're not a company. They bring in actors and directors for each new play, and they stage 10 to 11 new productions a year. So their actors are not part of a theater. I don't believe in this at all. I believe a theater is built on a company. The director is the leader around whose personality the theater is built."

There is no 9-to-5 here, no union hours. If Arye so demands, rehearsals go on for 12 hours. The Gesher's first production, Tom Stoppard's "Rosencrantz and Guildenstern Are Dead," in a Russian translation by Joseph Brodsky, was rehearsed during the Gulf War, with interruptions for Iraqi rocket attacks.

The war and the complexity of the play were something of a baptism by fire for the actors, most of them like Arye, recently arrived from Soviet Russia. The complex drama, Arye said, enabled the troupe to show what it was capable of.

The production, presented as a kind of stylized, ominous circus, was seen in 1992 in New York at the Brooklyn Academy of Music.

Arye, a graduate of Moscow University in psychology, says he always knew he wanted to direct. After college, he studied and then worked under the celebrated director Georgi Tolstoyev.

When he returned to Moscow, he applied to emigrate to Israel. That led to a year and a half without any work. Eventually, he did some directing at various theaters and on television, finally leaving in 1989.

His first stop was New York, but Natan Sharansky, the former Soviet dis-

sident who was then the head of a private group assisting émigrés, found some money and persuaded him to move to Israel and form a theater. Those were years when Russian Jews were leaving by the tens of thousands, and Arye was swamped with applications from professional actors. He chose 15, and the Gesher was born.

"There were many foes then, many people who felt that forming a Russian theater would maintain a ghetto," Arye said. "People felt we should assimilate. I felt that forming an exclusively Russian theater could have been fatal. From Day One we provided a translation into Hebrew. Within a year we shifted to Hebrew."

Of working in two languages, Arye said: "It's a very interesting process. The plays come out completely different in Russian and Hebrew. I didn't realize how much a language changes the play. The humor is different. Sometimes we even have to change the text."

THE use of Hebrew also brought success. Attending the Gesher became the rage as Israeli theatergoers, culturally attuned to temperament and passion in their theater, fell under the spell of the intensity and professionalism of their new fellow countrymen.

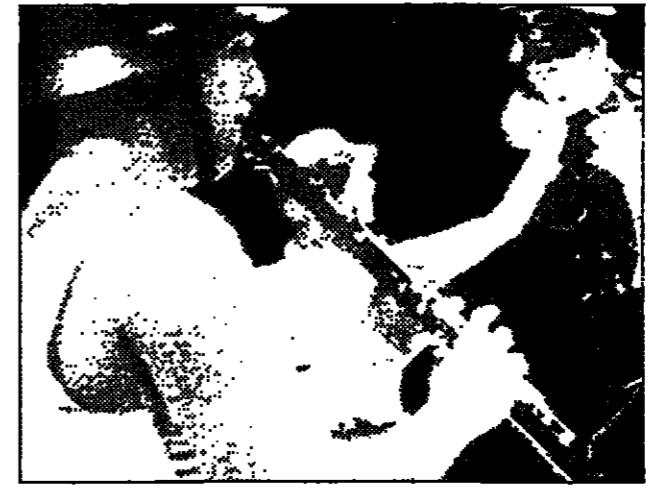
True, the oldest Israeli theater, Habimah, also descended from a Russian-Jewish troupe of the 1920s, traced its heritage directly to Konstantin Stanislavsky. But audiences and critics now found it was no longer innovative.

After World War II, a group of young Israeli actors had founded the Cameri Theater to introduce a more modern, Anglo-American tradition, establishing what remains one of Israel's major theaters. Then came the Haifa Municipal Theater, rebelling against the largely imported content of the Habimah and Cameri, which worked in the 1970s and '80s to introduce an Israeli-based repertoire.

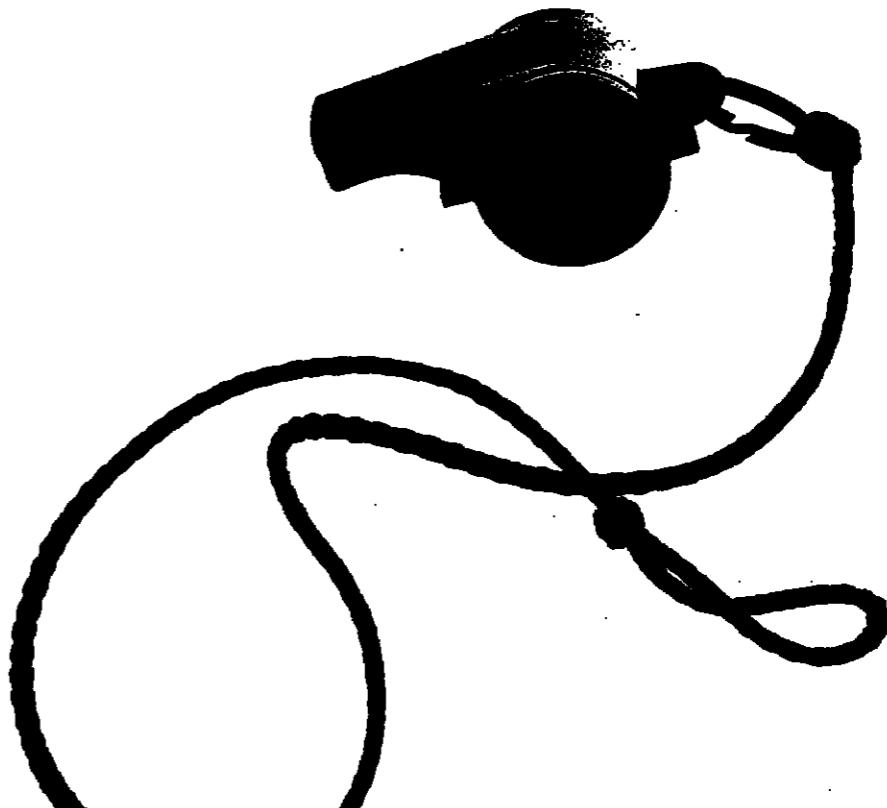
But all of these theaters were organized around seasonal subscribers, which required a constant flow of new productions, with a correspondingly uneven quality.

"Our tradition is very young," said Joshua Sobol, a veteran Israeli playwright whose "Ghetto" was seen on Broadway in 1989. Sobol's "Village" is one of the two plays the Gesher is bringing to New York.

"You can say Israeli acting and directing are based more on instinct than on acquired professions. I believe we've had some quite remarkable achievements."



From the Gesher production of "Adam Resurrected."



STAGE/ENTERTAINMENT

Right Moves: Art and Real Estate

By Vincent Canby
New York Times Service

NEW YORK — Theater often has less to do with passion, art or even accomplishment than it does with real estate commitments. Consider the good fortune of Michael Mayer's production of "Side Man," Warren Leight's alternately flip and melancholy, sometimes brutal memoir about the last years of the Big Band era. Having received favorable notices and enthusiastic audiences earlier this year at the Classic Stage Company's Off-Broadway theater, "Side Man" has now transferred to the Roundabout Theatre's Stage Right on Broadway.

Yet the move isn't just another example of how quality inevitably rises to the top. Chance and availability of real estate have also had a lot to do with it.

At Stage Right, "Side Man" is in the larger of the Roundabout's two spaces, the one most recently occupied by a jaded revival of Terence Rattigan's 1952 romantic drama, "The Deep Blue Sea." The long-scheduled opening of the Rattigan play in late March prompted the transfer of the Roundabout's hit revival of Arthur Miller's "View From the Bridge" to the Neil Simon Theater.

It was only when "The Deep Blue Sea" closed that the space became available for "Side Man." You see how chance operates.

The move is a happy one. It brings a new American play to the Roundabout, which has built up its large, loyal subscription audience by concentrating on real estate.

"Side Man" is not only a new play but also something of an original. It's a recollection of a time now recalled chiefly through the names of Benny Goodman, Artie Shaw and the other leaders of the big swing bands, which, before the coming of Elvis Presley, the Beatles and rock-and-roll, embraced great jazz musicians and set the musical tastes for the country from the mid-1930s into the early 1950s.

Leight is not a name-dropper, nor does he deal in the kind of nostalgia that depends on the easy sentiment evoked by the music itself. He's not interested in the stars of that era. He's concerned with the side men, those crazily obsessed, sometimes gifted musicians who floated from one band to the next, earning peanuts, heedless of their haphazard, messy existences, aware only of the music by which they connected to one another and to life.

Such a man is Gene (Frank Wood),



Sella is good in the schizoid role of narrator-son, meaning that he must stand outside the events, often jokily commenting on them, even as he's participating in them as one of the victims. Not easy.

Playing next door to "Side Man," at the Roundabout's smaller Laura Pels Theatre, is Nicholas Martin's revival of George Bernard Shaw's "You Never Can Tell." The good news: a performance by Robert Sean Leonard so disciplined, technically assured and commandingly funny that the impulse is to say that a star is — if not exactly born — then at long last recognized.

For some time, without fuss or hype, Leonard has been learning his craft in films ("Dead Poet's Society," "Much Ado About Nothing") and on the stage ("Philadelphia, Here I Come," "Arcadia"). Now it appears to be pay-off time. As Valentine, whose Shavian mind and dashingly romantic soul inhabit the body of a failed dentist, he has a role that he can run with, which he does with an almost Olivier-like pleasure, transforming a rather perfunctory Shaw revival into a farcical delight.

"You Never Can Tell" is not in a league with such great, characteristically Shavian comedies as "Pygmalion" and "Major Barbara." Its conventions are of the 19th century. Shaw began writing it in December 1895, the year of Oscar Wilde's triumph (the production of "The Importance of Being Earnest") and humanization (his trials and imprisonment).

Shaw finished it in 1896 and, though he might not have admitted it, "You Never Can Tell" has a lot of Wildean wit in it. Note the apology of a mannerly waiter to his betters for having raised his son to become a Queen's Counsel: "Never mind my being the gentleman's father, ma'am; it is only the accident of birth after all."

As often happens at the Roundabout, the casting is uneven, though Leonard brings the ensemble together. He doesn't stand apart from the others: instead his energy and enthusiasm have a way of carrying everyone along with him.

Two other very good performances to note: Charles Keating, who plays the august waiter whose only indiscretion is his successful son, and Jere Sheetz that son, who freely acknowledges his father, without ever forgetting that the man is, after all, a waiter. Alan Moyer's sets are charming.

Imperfect, perhaps, but still potentially revivifying on a blistering summer's day or night.

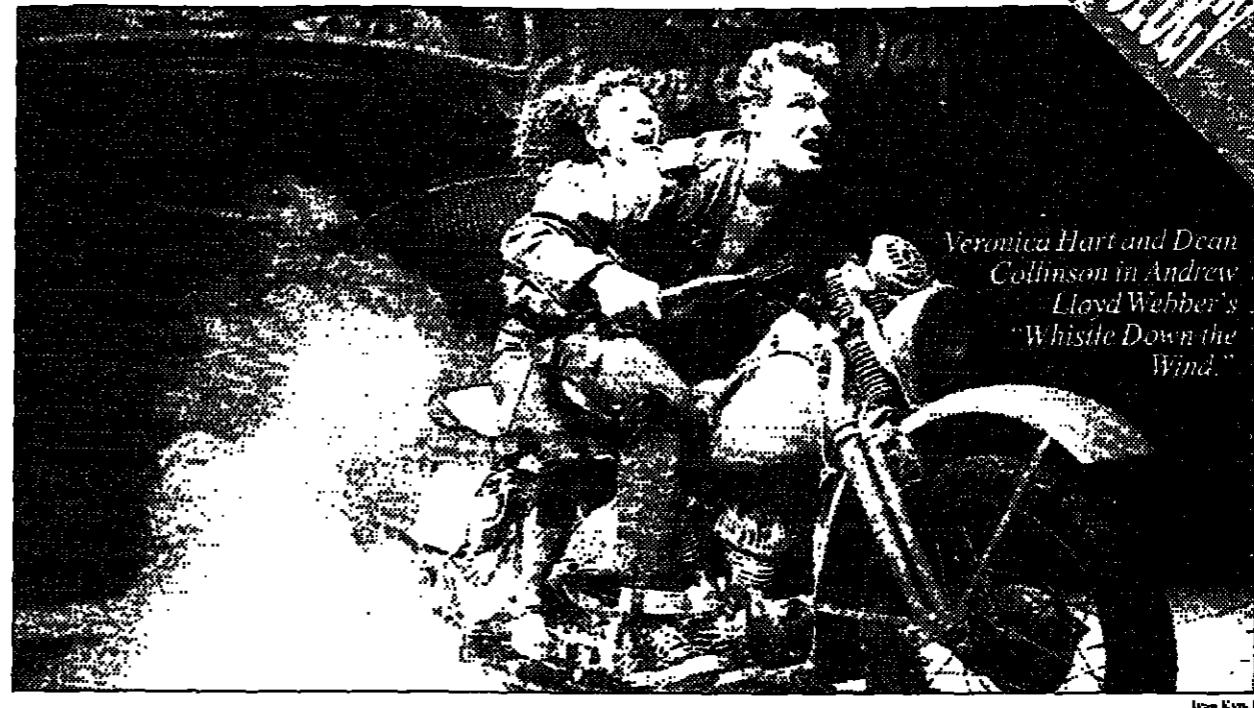
The fact is that she probably would never have married him except that the first time she sat in on one of his gigs, she heard the genius of Dizzy Gillespie in his horn. She becomes his most dangerous fan. He probably never would have married her except that it seemed the thing to do and, once done, he never gave it another thought.

As the years go by, Gene scarcely ages a day. Terry, working as a waitress, slips into alcoholism and teeters on madness. When she screams, throws food and threatens suicide, he goes out to move the car and stays away, sometimes for days or maybe just until he's sure she's drunk herself to sleep. Clifford is less than his child than their keeper, furious with and saddened by his mother, mesmerized by his glimpses of his father's secret life.

THIS is an engrossing play without being entirely satisfactory. One character is missing: Terry as wife and mother. I'm not sure whether this is a reflection of the role as written or as played by Makkena. Much of the time her tirades are just gibberish. She should break your heart. Instead you wish she would vanish.

Leight has created a fascinating character in Gene, who is revealed as much by how other people react to him as by what he does or says. There's something benignly ghostlike about him. Wood plays him with just the right proportion of dimness to recognizable, maddening eccentricity.

Such a man is Gene (Frank Wood),



Veronica Hart and Dean Collinson in Andrew Lloyd Webber's "Whistle Down the Wind."

TOMORROW:

REVIEW

Sam Kroll photo/The New York Times

the quietly remarkable trumpet player, terrible husband and thoughtless father remembered by his son Clifford (Robert Sella), the narrator of "Side Man."

There's nothing much wrong with Gene except that he should never have married and become a father. Certainly he should never have married a woman as ill-equipped as the emotionally unstable Terry (Wendy Makkena) to deal with a man who lives only through his music.

The fact is that she probably would never have married him except that the first time she sat in on one of his gigs, she heard the genius of Dizzy Gillespie in his horn. She becomes his most dangerous fan. He probably never would have married her except that it seemed the thing to do and, once done, he never gave it another thought.

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When "The Wind" Blows

By Sheridan Morley
International Herald Tribune

LONDON — Just what is it about the British and musicals? To be more specific, just what is it about London drama critics and Andrew Lloyd Webber? By my reckoning, his "Whistle Down the Wind" (now at the Aldwych) has thus far had three or four good reviews and another eight or nine of such breathtaking hostility that you begin to wonder whether writing a musical in this country will soon become an offense punishable by a prison sentence, or perhaps just a sizable fine.

Is "Whistle Down the Wind" really that terrible? It's not; it may not be perfect, but it does represent a major attempt by its composer to move forward. This is a dark, thoughtful, intelligent show about religious obsession, and its roots are in an extremely good and successful 1961 novel-intellectual film by Mary Hayley Bell. For those who believe that all good musicals can be summarized in a single sentence, this one is about a trio of lost children who come upon an escaped killer in a barn and, because he curses, "Jesus Christ," upon discovery, mistakenly assume that he is simply giving them his name.

But where, nowadays, do you find kids that dumb? The problem is that you don't, so Lloyd Webber and his quite brilliant lyricist, Jim Steinman, have gone back to 1959 Louisiana, and a backwoods community where trains don't even stop at the local station. So this is not another Bible Belter in the old Webber tradition of "Joseph and the Amazing Technicolor Dreamcoat" or "Jesus Christ Superstar." Its debits are instead to "Elmer Gantry" and John Steinbeck and "The Grapes of Wrath" and maybe even the film "Deliverance."

I have now seen "Whistle Down the Wind" three times in three years: once in a kind of workshop concert (with some of the present cast) at Lloyd Webber's home, once in a lavish but critically disastrous staging in Washington by Hal Prince, and now in its London premiere by Gale Edwards. Each time, "Whistle" has changed radically, and we now, I believe, have it about as good as it will ever get. Yes, there indeed remain some problems: The set is still causing performances to be canceled, and I am less in love than the composer with the idea, also tried in "Sunset Boulevard," that you have two levels on a gigantic kind of hinge so that the upper level can fold down into the lower. Not only does this clearly cause mechanical troubles backstage, but it also plays hell with sight lines for too many rows of stalls and circle.

And we now have rather too many children: not just the original trio, but a whole army of their friends whose anthems drift dangerously close to "Annie" or even "Oliver!" This new concept of kiddie power plays hell with the original idea, especially when they sing choruses about how life will be when they rule the world. The real tragedy of "Whistle Down the Wind" as originally conceived is that these children don't rule anything, and are hostages to their parents' ill fortunes.

And yet that still doesn't explain the hostility. There is a lack of tolerance here that I think will quite soon hurt all of us as theatergoers. People will simply stop writing new musicals in this country, because the risks and the costs of failure have just become too great. This is not unrealistic: it happened in these last 20 years or so in the United States (as usual, Stephen Sondheim remains the exception who proves the rule), where only recently has a new generation of musical writers arrived to revive the genre.

So, all other issues aside, is "Whistle Down the Wind" worth your time and ticket money? Emphatically, yes. Unlike such current hits as "Grease" and "Saturday Night Fever" and "Sunset Boulevard," this is not simply an old movie reheated for the stage with most of its source power long gone. It is a genuine development of the original, with a yearning intensity and a lyrical, reflective score that will, I believe, be recalled when many more immediately acceptable scores have disappeared forever. Above all, it remains a play with songs and a power of plot and character development.

"Whistle Down the Wind" is largely about growing up, and that is something the composer is also doing, albeit maybe a little late. It is far and away the most adult of all the Lloyd Webber scores, and for that reason also perhaps the most dangerous and difficult. It does not give its audience an easy ride; it is not a theme-park sing-along for the Disney market. It may well never work on Broadway, but that doesn't make it inferior or deserving of the insults that have been hurled at it over the last few days.

Nobody except the public liked "Les Miserables" when it opened, and although we are emphatically not looking at a triumph on that scale, we are dealing with the same problem: an absolute British critical refusal to give new musicals the same deal that we give new plays.

The play's two newcomers, Marcus Lovett and Lotte Mayar, are seriously good in difficult leading roles, and it demands a great audience leap of time and space and faith. When "The Wind" listens to its own whistle and stays true to its own dark soul, it is deeply and dramatically moving.

If it dies a rapid death at the box office, then I think we may as well give up on the hope that big commercial West End musicals into the millennium could be anything more than a rehash of old Hollywood hits.

Foul!

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OPEL

Seeing Music Along With Berlioz

By Bernard Holland
New York Times Service

NEW YORK — We see music better than we write about it. This is no surprise. The eye and ear are first cousins, sensory organs on an equal footing. Writing is something the intellect thought up later, a concocted set of symbols to put perceivers and perceived in contact.

Take, for example, Basil Twiss's underwater puppetry, currently at work in the Here theater complex in SoHo. The sights with which it accompanies the "Symphonie Fantastique" tell us more about Berlioz's sounds than The New Grove Dictionary of Music and Musicians ever could.

Words fail. Some music lends itself to geometric dissection, and tacking stories onto music is a device that comes and goes, but intervals and rhythm have proved pretty much bulletproof when it comes to descriptive language.

Twiss's exercise, called simply "Symphonie Fantastique," manipu-

lates objects and light within a 500-gallon tank of water, one side of which, 30 by 40 inches (70 by 100 centimeters), is visible to an audience of about 100.

"Symphonie," performed to an old Philadelphia Orchestra recording led by Eugene Ormandy, has its halting moments and flashes of extraordinary beauty. It plays until July 26.

Water fascinated Romantic composers and their offspring. Debussy described its reflected light and orchestrated a day in the life of the sea. Liszt and Ravel wrote about fountains; Respighi, too. Ives followed the course of a river about Berlioz's sounds than The New Grove Dictionary of Music and Musicians ever could.

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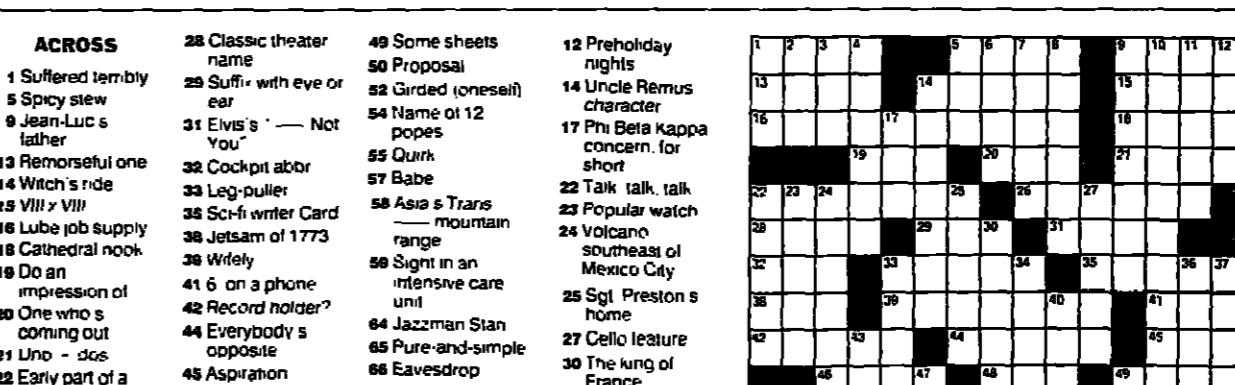
lates objects and light within a 500-gallon tank of water, one side of which, 30 by 40 inches (70 by 100 centimeters), is visible to an audience of about 100. "Symphonie," performed to an old Philadelphia Orchestra recording led by Eugene Ormandy, has its halting moments and flashes of extraordinary beauty. It plays until July 26.

Water fascinated Romantic composers and their offspring. Debussy described its reflected light and orchestrated a day in the life of the sea. Liszt and Ravel wrote about fountains; Respighi, too. Ives followed the course of a river about Berlioz's sounds than The New Grove Dictionary of Music and Musicians ever could.

Words fail. Some music lends itself to geometric dissection, and tacking stories onto music is a device that comes and goes, but intervals and rhythm have proved pretty much bulletproof when it comes to descriptive language.

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Donald Barden, right, and Mr. Jackson have picked Africa to build businesses and help improve people's lives.

An Unlikely Duo Takes On Namibia

Black U.S. Executive and Michael Jackson Target a Market

By Donald G. McNeil Jr.
New York Times Service

WINDHOEK, Namibia — This windswept capital in the Namibian desert is not the kind of arena where Michael Jackson normally plays. And 50 button-down executives and finance ministers talking tariffs are not his usual audience.

But the singer came in May, striding up a conference room aisle in full donor, lipstick and Sergeant Pepper jacket, with a puffy entourage trailing along, to give a speech deplored "the plight of the children of the universe."

Indeed: "My new business partner, Don Barden, and I are going to be putting our money where our mouths are. We're going to be looking at global investments that will bring economic development to people and improvement to the lives of children."

Getting the Gloved One to declare himself the Global One — and getting the World Economic Forum to make that its kickoff speech here at one of its many regional meetings — was one of the quirkiest public relations coups southern Africa has ever seen. But the versatile entrepreneur who managed it has some interesting quirks himself.

Donald Barden, 54, is one of America's wealthiest black executives. He is the founder of a privately held conglomerate, the Barden Companies, based in Detroit, which had estimated sales last year of \$110 million and was No. 14 on Black Enterprise magazine's 1998 list of 100 biggest black-owned industrial/service companies.

Mr. Barden is also one of a tiny few who have taken up a challenge thrown down to African-American entrepre-

neurs by Ronald Brown, the late commerce secretary: Come back to Africa and build a business.

Some might think Mr. Barden has a fatal attraction for risk. He does not see it that way.

"This market is a real sleeper," he said during an interview, along with Mr. Jackson, in a small office in his Windhoek car-rebuilding plant. "Once the free-market system permeates, this continent will be one of the world's most dynamic markets."

Until recently, most of Mr. Barden's risks were confined to the American Midwest. He grew up as one of 13 siblings in Inkster, Michigan, outside Detroit. He was captain of his high school basketball and football teams, but had to drop out of Central State University in Ohio in 1963 because he could not afford the tuition. Living with a big brother in Lorain, Ohio, he was a mover and a laborer before opening a record store, then starting a label and venturing into public relations.

That was all before he heard, by chance, that a military recruiting station near his office was looking for new space. Mr. Barden helped it find a spot, and in that switch to real estate he began to make some real money.

Mr. Barden later founded The Lorain County Times, a weekly, sat on the Lorain City Council and became a television anchor, where he realized the profit potential in cable television. In 1983, after wiring some small Michigan towns, he won the right to wire 375,000 Detroit households in partnership with a Canadian cable company.

Mr. Barden sold his share of the cable television business for \$105 million in 1994. He now owns five Illinois

radio stations, an Arizona software company and an Ohio real estate company that has built jails and fancy suburbs. In 1995, he entered the gaming industry, his riverboat, the Majestic Star of Gary, Indiana, is America's first black-owned casino.

He does not shy from fights. In 1995, he took on Donald Trump, accusing him of "extortion" for demanding \$25 million as part of a deal to share a wharf site in Gary. Nor is he shy about sometimes using race to his advantage. He did so to win the Detroit cable franchise, and last year he accused the city's mayor of failing blacks and native sons by denying him a casino license.

At first glance, Mr. Barden's entry into Africa seems counterintuitive.

He chose Namibia, a country of only 1.7 million people, instead of the obvious place, South Africa, with its higher income and its population of 40 million. On top of that, Mr. Barden is going into business; he has never been in before: a General Motors dealership and sales of canned food, drinks and mattresses. And his target markets include some of the poorest, most forgotten people in the world: the suffering millions of war-torn Angola and Congo, the former Zaire.

But there is method to his seeming madness. As Mr. Barden is quick to point out, Namibia has excellent roads, railways and phones, a benign if, and climate and a deep-water port at Walvis Bay. It has had eight years of democratic government and a currency linked to the South African rand. And, most important, Namibia wants him.

Mr. Barden's connection with the

See BARDEN, Page 20

Singapore Fears a Recession in 1999

Compiled by Our Staff From Dispatches

JAKARTA — More evidence of a deepening financial crisis in Asia surfaced Tuesday as Indonesia said it was in a recession and Singapore said it would probably slip into recession next year.

Indonesia's gross domestic product shrank 16.54 percent in the second quarter, after falling 6.2 percent in the first quarter. It was the first recession in more than 30 years for the world's fourth most populous country.

In Singapore, Prime Minister Goh Chok Tong said he saw a "fairly high" possibility of recession next year. A week ago, Singapore cut its growth forecast for 1998 to between 0.5 and 1.5 percent from 2.5 to 4.5 percent because of the Asian economic crisis. But Mr.

Goh said he was confident Singapore would pull through the crisis.

"We are tackling our problems with resolve and quiet confidence, while bracing ourselves for tough times ahead," he said.

Nonetheless, Singapore's benchmark Straits Times stock index ended down 1.09 percent, at 1,115.18 points.

Indonesia's Bureau of Statistics said it was likely that GDP would fall by 13.06 percent that year.

The World Bank said Tuesday that Indonesia was facing an economic crisis unprecedented in postwar history and would face more hardship unless all sections of society rallied around its economic reforms.

Jean-Michel Seznec, the World

Bank's vice president for East Asia and the Pacific, said, "If political consensus is not created around the economic program, the economic situation will deteriorate even further."

(Reuters, Bloomberg)

■ IMF Seeks Advice of Analysts

The International Monetary Fund is asking market analysts to suggest the type of economic data that central banks should disclose to help avoid surprises like those that led to the Asian financial crisis. Reuters reported from New York.

The financial crisis that enveloped almost all of Asia took rating agencies, international institutions and the markets alike by surprise.

CURRENCY & INTEREST RATES

Cross Rates

	1	DM	Fr.	1L	DR	SE	Yen	CS	Peru
Amsterdam	2.045	1.3734	1.1704	1.1744	5.4665	1.3233	1.0277	1.38	1.3885
Brussels	2.045	1.3732	1.1703	1.1743	5.4663	1.3231	1.0276	1.38	1.3884
Frankfurt	2.046	—	1.1703	1.1745	5.4667	1.3233	1.0278	1.38	1.3886
London (d)	1.643	—	1.2778	1.2812	5.2031	1.3203	1.0278	1.38	1.3887
London (n)	1.643	—	1.2778	1.2812	5.2031	1.3203	1.0278	1.38	1.3887
Paris	1.643	—	1.2778	1.2812	5.2031	1.3203	1.0278	1.38	1.3887
New York (d)	1.679	1.2653	1.0835	1.0848	5.1285	1.3105	1.0182	1.38	1.3888
New York (n)	1.679	1.2653	1.0835	1.0848	5.1285	1.3105	1.0182	1.38	1.3888
Tokyo	1.679	1.2653	1.0835	1.0848	5.1285	1.3105	1.0182	1.38	1.3888
Toronto	1.679	1.2653	1.0835	1.0848	5.1285	1.3105	1.0182	1.38	1.3888
Zurich	1.679	1.2653	1.0835	1.0848	5.1285	1.3105	1.0182	1.38	1.3888
1 ECU	1.679	1.2653	1.0835	1.0848	5.1285	1.3105	1.0182	1.38	1.3888
1 SDR	1.679	1.2653	1.0835	1.0848	5.1285	1.3105	1.0182	1.38	1.3888

Closings in Amsterdam, London, Milan, Paris and Zurich. Ridings in other centers: New York at 4 P.M. and Toronto rates at 3 P.M.

* To buy one pound is. To buy one dollar: *Units of 100: N.G.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per S.	Canadian	Per S.	Currency	Per S.	Canadian	Per S.	Currency	Per S.
Argent. peso	0.9999	—	—	Greek drach.	202.40	—	—	Mex. peso	0.9723
Australia \$	1.6174	—	—	Hong Kong \$	2.7474	—	—	Swiss franc	1.3264
Australia \$d	1.6174	—	—	Hong. forint	219.41	—	—	Yen	134.05
Austria sch.	1.1755	—	—	India, rupee	42.45	—	—	Yuan	1.1705
Chinese yuan	8.2798	—	—	Portug. escudo	185.71	—	—	Zambian kwacha	2.0705
Czech krona	22.42	—	—	Romanian leu	2.0705	—	—	Zimbabwe dollar	1.1755
Danish krona	6.9165	—	—	Russian ruble	2.6729	—	—	Zw. dollar	1.1755
Egypt, pound	3.975	—	—	Saudi riyal	3.7208	—	—	Zw. dollar	1.1755
Fin. markka	3.5113	—	—	Stop. 5	1.6540	—	—	Zw. dollar	1.1755

Forward Rates

	30-day	60-day	90-day	Currency	30-day	60-day	90-day	Currency	30-day
DM	1.6330	1.6503	1.6273	Japanese yen	136.52	137.91	137.31	Yen	136.52
Pound Sterling	1.6735	1.6977	1.6469	Swiss franc	1.5186	1.5140	1.5076	Yen	1.5186
Canadian dollar	1.6712	1.6900	1.6449	Yen	1.5186	1.5140	1.5076	DM	1.6712
Deutsche mark	1.6712	1.6900	1.6449	Yen	1.5186	1.5140	1.5076	DM	1.6712

Sources: ING Bank (Amsterdam); KBC Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

July 7 Libid-Libor Rates

	July 7	Libid-Libor Rates	July 7
Swiss	Dollar	DM	Fr.
1-month	D-Mark	1.3201	1.0277
3-month	DM	1.3201	1.0277
1-year	ECU	1.3201	1.0277
3-month	DM	1.3201	1.0277
1-year	ECU	1.3201	1.0277
3-month	DM	1.3201	1.0277
1-year	ECU	1.3	

THE AMERICAS

**Very briefly:**

• Chancellor Media Corp., one of the largest radio broadcasters in the United States, said it would buy LIN Television Corp., television station owner, for \$952 million in stock and \$769 million in assumed debt. LIN is controlled by the investment firm of Hicks, Muse, Tate & Furst, whose stake in Chancellor will rise to 18 percent from 9 percent.

• United Video Satellite Group Inc., which provides television listings to 50 million U.S. homes via satellite, made a hostile bid to buy Gemstar International Group, a multimedia company, for \$2.8 billion.

• Hartford Life Inc., the fourth-largest U.S. life insurer, bought \$40 billion of life insurance policies written by MBL Life Assurance Co. Terms were not disclosed.

• The Clinton administration will allow the export of U.S. data-scrambling software to financial institutions in 45 countries that have enacted legislation to curb money laundering. Commerce Secretary William Daley said.

• Banco Santander SA of Spain plans to inject \$120 million into its Brazilian unit and said it might buy another bank in Brazil.

Bloomberg, Reuters

Salomon to Shut High-Risk Unit

U.S. Bond Arbitrage Is Victim of Shift to a Retail Focus

By Peter Truell
New York Times Service

NEW YORK — Salomon Smith Barney will disband its U.S. bond arbitrage group — for years an important, though volatile, profit machine — after that business suffered an estimated \$15 million in losses in the second quarter, the firm said in a memo to employees.

The losses are relatively small for a Wall Street firm that trades billions of dollars.

But the shuttering of the group and the departure of its leaders illustrate how much has changed at Salomon — a firm once known for its swagger and big market bets — following the Travelers Group's acquisition of Salomon Inc. late last year.

Less risk, and particularly less

risk-taking with the firm's own money, is the order of the day, according to several people at Salomon Smith Barney, which was formed in the merger of Salomon with Travelers' Smith Barney unit.

The business of trading for customers is now, some executives

said, prized over trading with the firm's own money.

Sanford Weil, chairman of Travelers Group, and his lieutenants at Smith Barney prospered for years through their careful management of Main Street businesses that sell financial services. They are said to be uneasy with the big though sometimes spectacularly successful risk-taking for which Salomon has been known.

A Salomon Smith Barney executive who spoke on condition of anonymity defended the closing. "There are now less opportunities in the U.S. bond markets," the executive said. "We now have a broader menu of options when we decide how we want to use our people at Salomon said.

Salomon is assigning global responsibility for the bond arbitrage business to Costas Kaplanis, an executive based in London, effectively getting out of the business in the United States.

In its memo to employees Monday, Salomon Smith Barney said that Robert Stavis and Jeffrey

Rosenbluth, the managing directors who ran Salomon's bond arbitrage group, "have decided to leave the firm in order to pursue other opportunities." Mr. Stavis and Mr. Rosenbluth, who have each spent more than 10 years at Salomon, declined to comment when reached at their offices late Monday.

According to some estimates at the firm, the U.S. bond arbitrage group — about 30 people — might have a total loss of about \$15 million in the second quarter, after incurring a profit of about \$80 million in the three months ended March 31. The group's employees will either be absorbed into the company's other bond businesses or will be let go, people at Salomon said.

The U.S. bond arbitrage business has become less profitable in recent years. More efficient markets mean that there are fewer easy opportunities for arbitrage businesses, which attempt to profit from pricing or interest-rate discrepancies between markets. Interest rates have been more stable, further reducing profit opportunities.

Yen Rises on New Hints of Tax Cuts

Bloomberg News

NEW YORK — The dollar fell against the yen Tuesday after a Japanese official renewed expectations the government would cut taxes to help pull the country out of recession.

Prime Minister Ryutaro Hashimoto of Japan said government tax

lender and trading partner so Russia's financial woes often sour investors on Germany.

"There's still a lot of uncertainty and nervousness about Russia," said Lee Kassler, chief currency trader at Israel Discount Bank. "With Germany's exposure to Russia, that's going to weigh on the market."

The dollar rose to 1.5277 Swiss francs from 1.5238 francs and was at 6.0840 French francs, up from 6.0755 francs.

The pound was trading at

\$1.6379, off from \$1.6380.

The dollar also slipped after Treasury Secretary Robert Rubin said the selling of dollars by the U.S. government last month to bolster the yen was not done to win assurances from Japan that it is making progress on bank reform.

Some traders took Mr. Rubin's remark as a hint the United States was not goaded into the joint intervention with Japan, said Katsu Aso, manager of foreign exchange at Bank of Tokyo-Mitsubishi Ltd.

Weekend Box Office

The Associated Press

LOS ANGELES — "Armageddon" dominated the U.S. box office over the weekend, with a gross of \$34.8 million. Following the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

1. *Armageddon* (Twentieth Century Fox) \$34.8 million
2. *Dr. Dolittle* (New Disney) \$11.1 million
3. *Aladdin* (New Disney) \$6.5 million
4. *Out of Sight* (Twentieth Century Fox) \$6.4 million
5. *The X-Files* (Twentieth Century Fox) \$5.7 million
6. *The Parent Trap* (Twentieth Century Fox) \$5.3 million
7. *Six Days Seven Nights* (Miramax) \$3.2 million
8. *A Perfect Murder* (Miramax) \$1.6 million
9. *Hope Floats* (Twentieth Century Fox) \$1.4 million
10. *The House Whisperer* (Touchstone Pictures) \$1.4 million

FOREIGN EXCHANGE

reforms would include income tax cuts, according to Hiroshi Nonaka, deputy secretary-general of the governing Liberal Democratic Party. The yen had slumped on Sunday, after Mr. Hashimoto damped talk of a permanent tax cut.

"The Japanese want the market to believe they're actually doing something to enact permanent tax cuts," said Dan Scherman of MFS Asset Management in Boston.

The dollar was quoted at 4 P.M. at 138.15 yen, down from 140.195 yen on Monday. It rose to 1.8145 Deutsche marks from 1.8118 DM on speculation Russia may have a hard time paying back its debt and defunding the ruble.

Germany is Russia's biggest

lender and trading partner so Russia's financial woes often sour investors on Germany.

DETROIT — General Motors Corp. needs to cut more than 50,000 U.S. hourly positions to become as competitive as its rivals, according to a published report that cited people close to the automaker.

The report said that GM executives believed the staff cuts could be achieved by not replacing retiring workers. The timetable

and size of these cuts is a major source of contention between the United Auto Workers and GM, the report said.

GM and the UAW are under pressure to settle this week the two strikes that have crippled the world's largest automaker.

But a GM executive said Monday that while negotiations have intensified, the two sides are still far apart.

(AP, Bloomberg)

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(AP, Bloomberg)

50,000 GM Jobs in Jeopardy

Compiled by Our Staff From Despatches

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(AP, Bloomberg)

Blue-Chips Tip Down As Net Shares Slump

Compiled by Our Staff From Despatches

NEW YORK — Stocks fell Tuesday as a slump in oil and internet shares offset a bullish outlook for corporate profits.

Some investors, however, were optimistic that stocks would resume their climb.

"We're on a slow grind to 10,000" on the Dow Jones industrial average this year, said Jeffrey Egloff, president and chief investment officer of Highland Capital Management. "Earnings are slowing, but they're still growing. The market's in great shape here."

The Dow average closed 6.73 points lower, at 9,085.04. The

Gemstar International rose 3/4 to 43/4 after United Video Satellite Group said it made an unsolicited offer to acquire Gemstar and its interactive television technology for about \$2.8 billion in cash.

Sports Authority, the biggest U.S. sporting-goods retailer, fell 2 3/4 to 14 3/16 after warning that second-quarter earnings would be below expectations.

Motorola rose 1/2 to \$4.15/16. Analysts expect the maker of semiconductors and cellular phones to report a loss. (Bloomberg, AP)

The Dow average closed 6.73 points lower, at 9,085.04. The

U.S. STOCKS

benchmark Standard & Poor's 500 index fell 2.65 points to 1,154.66. The Nasdaq composite index fell 1.36 points, to 1,908.11.

Bond prices slumped as the dollar fell against the yen and investors balked at yields near record lows.

The benchmark 30-year Treasury bond fell 12/32 to 107 18/32, taking the yield up to 5.60 percent from 5.57 percent.

Internet stocks declined on concern that the gains of recent weeks drove their prices up more than justified by prospects for earnings or takeovers. Lycos dropped 14 5/16 to 85 1/4, after rising 20 1/2 on Monday. Yahoo dropped 7/4 to 192.

Amazon.com Inc., which sells books over the World Wide Web, tumbled 16 1/2 to 123 after erasing Monday's 15 1/4 gain. Excite dropped 8 3/4 to 98 1/4.

Defying the drop in Internet stocks, Inktomi rose for the fourth day, up 2 1/2 to 764. Analysts at Goldman Sachs, Hambrecht & Quist and BT Alex. Brown all initiated coverage of the Internet software company this week. Inktomi went public on June 10 at \$18.

Aluminum Co. of America rose 5/16 to 65 5/16 after reporting a second-quarter profit of \$207.1 million, topping most Wall Street forecasts. Alcoa said it had more than offset a 16 percent drop in aluminum prices since the beginning of 1998.

UAL soared 4% to 89 1/16 after the parent United Airlines said second-quarter earnings would top analysts' estimate of \$3.03 a share.

Oil shares fell as the price of crude oil stayed below \$14 a barrel for a second day. Traders are skeptical that world oil producers will follow through on an agreement to cut output to boost prices.

The stock has gained 33 percent in the past year, amid higher sales and profit at the maker of products ranging from light bulbs to locomotives. The company has added \$100 billion in value in just more than 13 months.

The most richly valued U.S. company has been striving to be the leader in each of its 12 main businesses. GE is the world's largest maker of jet engines for commercial and military aircraft, and it is also the owner of NBC, the top-ranked U.S. television network.

GE's profit has risen an average of 12 percent in each of the past five years.

"It's the certainty at GE," said Tim Stevenson, an analyst at American Express Financial Advisors. "Corporate America goes through trends. GE has stuck to its portfolio of businesses and Welch has been able to deliver."

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EUROPE

Top British Aerospace Executive Defects to Rival GEC

Compiled by Our Staff From Dispatches

LONDON — Michael Donovan, a senior executive at British Aerospace PLC, the largest weapons maker in Europe, has left to join a rival military contractor, General Electric Co. of Britain, GEC said Tuesday.

Mr. Donovan, 45, headed British Aerospace Defense Ltd., which includes a number of military sub-

sidiaries and joint ventures that are separate from the company's commercial aircraft operations, which include participation in the Airbus consortium.

GEC declined to give further details of Mr. Donovan's appointment.

"We will make an announcement about his future role in due course," a spokesman said. Industry sources said Mr.

Donovan had been recruited to run GEC's Industrial Electronics division in the United States.

British Aerospace and GEC are often cited by analysts as possible merger candidates as the European arms industry moves toward further consolidation in the face of increasing competition from U.S. companies.

British Aerospace shares closed up 4 pence at 490 pence (\$8.03). GEC's shares rose 3 pence to 558 pence.

Mr. Donovan had been appointed one of four group managing directors at British Aerospace only last month.

"The company thanks Mike for his contribution and his enthusiasm and commitment and wishes him well in his new career," a British Aerospace spokesman said.

British Aerospace shares closed up

Mr. Donovan joined British Aerospace in 1994 from Rolls-Royce Motor Cars to become chief executive of the Avio regional jets business. He was promoted to chief executive of British Aerospace's entire regional aircraft division in 1996, and was moved up again at the beginning of this year to take charge of the growing Defense Systems business.

(Bloomberg, Reuters)

Requirement Set for Bank Reserves

Bloomberg News

FRANKFURT — The European Central Bank has decided to require minimum reserves from commercial banks, the head of Luxembourg's central bank said Tuesday. The move will help steer interest rates and the money supply for the 11 countries sharing a common currency next year.

"A decision on minimum reserves has been made," said Yves Mersch of Luxembourg as he left the monthly meeting of the governing council of the European Central Bank. "The ratio will be low. Otherwise I would not be smiling."

The specifics of the reserves system are expected to be announced Wednesday by the central bank's president, Wim Duisenberg.

Under a minimum reserves system, banks are obliged to set aside a certain sum at the central bank each month, a requirement that helps the central bank keep tabs on bank lending and fine-tune the amount of money in the money market. A de-

cision in favor of minimum reserves will also be seen as a victory for the German Bundesbank, which has persistently lobbied for the system.

"A minimum reserves system is a very flexible and very effective instrument," said Eckhard Schulte, an economist at Industrial Bank of Japan. "I think they will opt for a small, interest-bearing system, which is a sensible compromise."

In Germany, banks are not paid

interest for deposits lodged at the central bank. But the European Central Bank is expected to pay interest on the reserves because otherwise the commercial banks would have to charge higher interest rates for lending funds.

Central banks where reserves requirements are high, making commercial banks less competitive, have been moving recently toward a unified European system.

Interest rates in the United States

COLOGNE — Metro AG, Europe's largest retailer, agreed Tuesday to sell its Vobis AG computer business to Miami-based CHS Electronics Inc.

CHS will pay 587 million DM in cash and assumed debt.

CHS will buy Vobis and its Maxdata GmbH and Peacock AG computer wholesaling units. Along with assumed debt, the transaction is worth 1.2 billion DM, Metro said.

Though Vobis is Europe's largest computer retailer, pretax profit slumped 19.6 percent last year as computers increasingly became a commodity available even in supermarkets, reducing the appeal of specialty computer shops and destroying profit margins. Vobis has 820 outlets in 11 European countries, with 340 branches in Germany.

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NYSE

Tuesday's 4 P.M. Close

The 2,400 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.

The Associated Press

12 Month
High Low Stock Dr Yld PE 100s High Low Lated Chgs

	High	Low	Stock	Dr	Yld	PE	100s High	Low	Lated Chgs	High	Low	Stock	Dr	Yld	PE	100s High	Low	Lated Chgs	High	Low	Stock	Dr	Yld	PE	100s High	Low	Lated Chgs
322 211 AAR	34.12	31.23	791 307	20	20	20	35.25	25.15	-1	314 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
323 211 ABA	14.12	12.23	791 307	20	20	20	19.25	15.25	-1	315 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
324 211 ACE	34.12	31.23	791 307	20	20	20	35.25	25.15	-1	316 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
325 211 ACE LN	34.12	31.23	791 307	20	20	20	35.25	25.15	-1	317 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
326 211 ACE S	34.12	31.23	791 307	20	20	20	35.25	25.15	-1	318 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
327 211 ACMS	54.12	51.23	925 5	5	5	5	55.25	45.25	-1	319 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
328 211 ACN	9.12	8.23	358 9	9	9	9	9.25	8.25	-1	320 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
329 211 ACN	10.12	9.23	358 9	9	9	9	10.25	9.25	-1	321 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
330 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	322 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
331 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	323 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
332 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	324 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
333 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	325 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
334 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	326 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
335 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	327 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
336 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	328 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
337 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	329 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
338 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	330 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
339 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	331 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
340 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	332 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
341 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	333 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
342 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	334 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
343 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	335 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
344 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	336 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
345 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	337 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
346 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	338 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
347 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	339 276 ColorPT	2.23	71	14	725 210	21	21	22 1827 440	45.00	55.50	55.50	75.00	75.00	75.00	75.00	75.00	75.00	
348 211 ACES	26	23	232 207	20	20	20	25.25	20.25	-1	340 276 ColorPT	2.																

NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

	12 Month High	12 Month Low	Stock	Div Yld	PE	100% High	100% Low	Low/Lated Chg
1254 1254	1254	1254	ABCO		1254	1254	1254	0.00
1255 1255	1255	1255	ABCO		1255	1255	1255	0.00
1256 1256	1256	1256	ABCO		1256	1256	1256	0.00
1257 1257	1257	1257	ABCO		1257	1257	1257	0.00
1258 1258	1258	1258	ABCO		1258	1258	1258	0.00
1259 1259	1259	1259	ABCO		1259	1259	1259	0.00
1260 1260	1260	1260	ABCO		1260	1260	1260	0.00
1261 1261	1261	1261	ABCO		1261	1261	1261	0.00
1262 1262	1262	1262	ABCO		1262	1262	1262	0.00
1263 1263	1263	1263	ABCO		1263	1263	1263	0.00
1264 1264	1264	1264	ABCO		1264	1264	1264	0.00
1265 1265	1265	1265	ABCO		1265	1265	1265	0.00
1266 1266	1266	1266	ABCO		1266	1266	1266	0.00
1267 1267	1267	1267	ABCO		1267	1267	1267	0.00
1268 1268	1268	1268	ABCO		1268	1268	1268	0.00
1269 1269	1269	1269	ABCO		1269	1269	1269	0.00
1270 1270	1270	1270	ABCO		1270	1270	1270	0.00
1271 1271	1271	1271	ABCO		1271	1271	1271	0.00
1272 1272	1272	1272	ABCO		1272	1272	1272	0.00
1273 1273	1273	1273	ABCO		1273	1273	1273	0.00
1274 1274	1274	1274	ABCO		1274	1274	1274	0.00
1275 1275	1275	1275	ABCO		1275	1275	1275	0.00
1276 1276	1276	1276	ABCO		1276	1276	1276	0.00
1277 1277	1277	1277	ABCO		1277	1277	1277	0.00
1278 1278	1278	1278	ABCO		1278	1278	1278	0.00
1279 1279	1279	1279	ABCO		1279	1279	1279	0.00
1280 1280	1280	1280	ABCO		1280	1280	1280	0.00
1281 1281	1281	1281	ABCO		1281	1281	1281	0.00
1282 1282	1282	1282	ABCO		1282	1282	1282	0.00
1283 1283	1283	1283	ABCO		1283	1283	1283	0.00
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Sanwa to Shut Down U.S. Bond Brokerage

Compiled by Our Staff From Dispatchers

TOKYO — Sanwa Bank Ltd. said Tuesday it would shut this U.S. Treasury bond business this year and give up its primary dealer status within weeks, as it moves funds into more profitable ventures.

The bank said the closure of primary dealer Sanwa Securities (U.S.A.) Co. would not affect its consolidated earnings in the year ending in March 1999, because the "costs related to liquidation are small."

Sanwa Bank said the move was prompted by a decision to pull out of the less profitable U.S. Treasury business and put more resources into its money-making derivatives business and continue to engage in future-related activities.

"We're withdrawing from businesses with low profitability, so we can increase our return on equity," said Haruhiko Kimura, a Sanwa spokesman.

The shutdown comes as Japanese lenders such as Sanwa and Sumitomo Bank Ltd. trim and reorganize overseas activities to bolster their bottom lines.

Sanwa Bank said in April it would close seven offices and sub-

sidiaries in the United States as well as Central and South America, while Sumitomo Bank in March sold its California unit to Zions Bancorporation.

Sanwa, which like most of Japan's nine biggest commercial lenders lost money in the last business year, hopes to bolster its return on equity to 8 percent over the next two years. Sanwa had return on equity of 2.54 percent in the year ended March 1997.

Sanwa's subsidiary is one of 33 securities firms designated as primary dealers by the U.S. Federal Reserve.

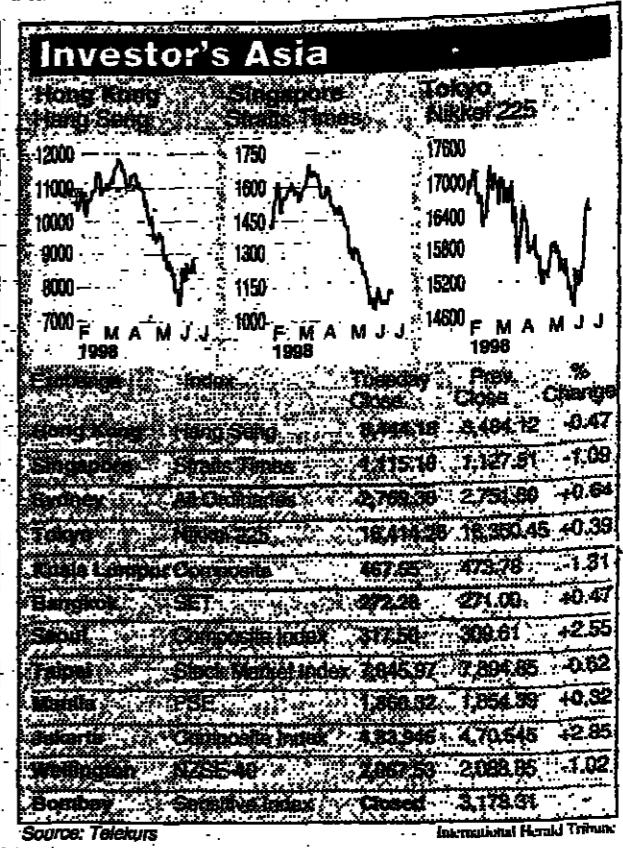
Sanwa Securities has maintained adequate capital for an orderly closure of its business, it said. The bank's only U.S. brokerage, it is capitalized at \$149.8 million with a staff of 140.

The bank said its U.S. brokerage would not engage in any new business and has enough capital to close outstanding positions. Mr. Kimura declined to say how much the securities unit handles in U.S. bonds.

Sanwa shares rose 25 yen to 1,300 on Tuesday. The bank released the statement after the end of stock trading. (Bloomberg, Reuters)



Katsuaki Suzuki, Japan's ambassador to Hanoi, bowing Tuesday as he was greeted by Mr. Khai.



Source: Teletext

International Herald Tribune

Very briefly:

• The Industrial Bank of Japan Ltd. and Deutsche Bank AG have won a court order in Thailand to seize vehicles assembled by Chrysler Corp.'s joint venture, Thai Chrysler Automotive Ltd., as a result of delayed loan payments.

• Fuji Bank Ltd., Japan's sixth-largest commercial bank, is to start charging its clients a fee for door-to-door collection of tax payments. Banks often offer to send out employees to collect tax payments from corporate clients as a free service. The maximum fee will be 6,000 yen (\$43).

• About 3,000 auto workers from Hyundai Motor Co. protested in the southern city of Ulsan, where the company's headquarters is located, over mass layoffs.

• Japan's record unemployment rate is on a long-term upward trend, according to a Labor Ministry report. The number of jobless in May rose to 2.93 million people, while the unemployment rate remained steady at a record 4.1 percent.

• Taiwan's exports slid 8.2 percent to \$9.13 billion in June, the Finance Ministry reported. Imports dropped 10.6 percent from a year earlier to \$8.62 billion.

• Flo, the French brasserie group, has signed a joint-venture agreement with a Chinese company, Jin Hui Beijing, to open a Flo brasserie in Beijing that will be called Beijing Flo. About 30 brasseries are to be opened in China under franchise over the next 10 years.

• Lucent Technologies Inc., the largest U.S. phone-equipment maker, has set up a technical center in Beijing to develop communications software, a company spokesman said.

• Ansett Australia said a planned upgrade of its passenger jet fleet had been delayed further due to the economic downturn in Asia. (AP, Bloomberg, Reuters)

International Herald Tribune

Nissan Diesel: No Deal

Report of Daimler Link Is Called Premature

Compiled by Our Staff From Dispatchers

TOKYO — Nissan Diesel Motor Co. said Tuesday that it had no plans to supply newly developed fuel-efficient diesel engines to Daimler-Benz AG, but it did not rule out a link-up with the German automaker.

The Nikkei Keizai Shimbun reported on Tuesday that Nissan Diesel would supply the direct-injection diesel engine, called the ZD engine, to Daimler-Benz as early as 1999.

"We have not decided anything on possible tie-ups with Daimler-Benz," a Nissan Diesel spokesman said. "We want to sell the new engines to other automobile makers but have no plans yet to supply the engines to Daimler."

Still, the report sparked a rise in Nissan Diesel's share price, to 372 yen (\$2.65), up 80 yen. The price has risen 232 percent since May 8, when reports first said Nissan Motor Co. was thinking about selling its 39.8 percent stake in the truckmaker to Daimler.

"A stable supply of engines would help their earnings," said Shigeo Kituchi, manager in the equities department of Takagi Securities Co.

The fuel-efficient, direct-injection diesel is expected to be used in Nissan Motor's sport-utility vehicle, which will be remodeled soon, industry sources said.

Analysts said it was unlikely that the latest reported development in the talks, which began last fall, would accelerate a final agreement with Daimler. They also said Nissan Diesel's share price would probably make Daimler more cautious about buying a stake.

"You don't need a capital stake for a good cooperation," said Christian Breitsprecher, an analyst at HSBC Trinkaus.

The two companies said last month that they were discussing jointly developing a small commer-

cial truck, cooperating on parts supplies and the possibility that Daimler might take an equity stake in Nissan Diesel. But talks have been stalled since Daimler announced plans this spring to buy Chrysler Corp. Daimler said last week that it did not expect a final agreement with Nissan Diesel until the end of the year.

Separately, Nissan Diesel said it was considering temporary layoffs at its truck production lines because of poor domestic demand for heavy trucks. (Reuters, AFX, Bloomberg)

■ Australian Phase-Out

An influx of relatively inexpensive vehicles from South Korea has compelled Toyota Motor Corp. to abandon production of the last locally assembled small car in Australia. Agence France-Presse reported from Sydney.

Toyota, the Japanese car giant, will phase out Australian production of the model, the Corolla, by the end of 1999, a Toyota spokesman said.

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Ford to Buy Lion's Share of India Venture

Bloomberg News

CHENNAI, India — Ford Motor Co., the world's second-largest automaker, said Tuesday it would spend \$182 million to acquire almost all of a joint venture with its Indian partner to capitalize on expected growth of the country's auto market.

"In a country of about a billion people, less than one million new cars were sold in 1997," said Tom Hoyt, a Ford spokesman. "So we do think that the Indian economy is one that will grow in the future. Analysts expect it to take off at any time."

The transaction will increase Ford's stake in the venture with Mahindra & Mahindra Ltd. to 92 percent from 50 percent.

Mahindra said in March it would reduce its portion in the \$400-million venture, called Mahindra Ford India Ltd., and invest in its own line

of utility vehicles.

Ford joins a string of foreign companies that have in recent years increased their equity holdings in Indian joint ventures, including Daewoo Corp. of South Korea, which raised its stake in its joint venture with DCM Ltd. in 1997. That joint venture makes Cielo model cars.

Similarly, Whirlpool Corp. of the United States increased its stake in its joint venture with Kelvinator of India Ltd. to make refrigerators in

1997. The foreign companies were able to increase their stakes when the local partners could not come up with the capital needed for expansion and modernization of the manufacturing facilities.

Ford's investment was among 68 foreign investment proposals worth 42.7 billion rupees (\$1.01 billion), approved by the government Monday. Ford's venture has produced European-designed Escort cars at a Mahindra-owned factory in western Maharashtra state since 1996.

Continued from Page 15

country began in 1989, when he held a cocktail party at his home for the ambassador of the South West Africa People's Organization, the movement fighting to liberate the country from South African rule. The movement succeeded in 1990, and six years later he invited President Sam Nujoma to Detroit and arranged a tour of a General Motors plant. GM was looking for a route back into southern Africa, and Namibia was interested — but only if it got an assembly plant. The market was too small for GM to bother with, but Mr. Barden suggested splitting the difference: if the Namibian government would buy 800 GM vehicles through him, he would build a plant to convert them to right-hand drive.

That appealed perfectly to one of the pet peeves of Mr. Nujoma, a sometimes cranky, sometimes jovial former guerrilla: his resentment of South Africa. White rule is gone, but South African corporations still dominate the regional customs union, and the high tariffs set to protect their Volkswagen, BMW, Mercedes and Toyota local assembly plants make cars in the whole subregion very pricey.

Kano Audley Smith, managing director of the Namibian Barden operations, said he

could import GM cars, pay the duty, convert them and still charge \$1,000 to \$18,000 less than a comparable model from South Africa. "If they were to price their vehicles realistically, we'd be in trouble," he said.

When a reporter questioned the deal with Mr. Barden at a recent news conference, Mr. Nujoma cut her off, saying testily: "We want American products, not ones from those whites in South Africa. We don't want to give our money back to white colonialists. The cars are cheaper, too — you can go check."

About 125 pickup, police cars and school buses have already been delivered.

Mr. Barden says he has spent about \$16 million to put together the Windhoek plant and to train workers. But the car operation is merely a foot in the African door, he says. He and Mr. Jackson envision "investments eventually in the hundreds of millions," and are particularly looking for casinos, resorts and theme parks. South Africa's three major cities are granting casino licenses right now.

"We'll go 50-50 on everything," said Mr. Jackson.

Mr. Jackson and Mr. Barden were a little vague on how that would help children, but Mr. Barden recovered, saying, "If you're involved in creating wealth, it puts you in a

position to help the world."

Because Mr. Jackson is a role model, he added, his focusing on business would encourage children to grow up and do the same, leading to economic empowerment.

And there is no disputing, for all the controversy that has surrounded Michael Jackson, that he is indeed a role model for children. The crowds that came out to see him even in tiny Namibia were bigger than any crowds here ever before.

Mr. Barden said their next investment would be warehouses in a new tax-free zone on the Angolan border. Namibia may be tiny, but there are millions of people in Angola, the former Zaire and western Zambia with little access to goods because roads in central Africa are atrocious.

Asked if he was crazy to seek out these markets — Zaire had a fierce civil war last year and a low-intensity war in Angola has dragged on for 24 years — Mr. Barden said: "You think that if they have a civil war, they're going to stop coming across the border to buy goods? They still have to have food, mattresses, stereos, refrigerators and beer, don't they? And they pay in diamonds — that is, they pay in cash they got from diamonds. In U.S. dollars. That's pretty attractive."

Marcos Ally at San Miguel

Compiled by Our Staff From Dispatchers

MANILA — Eduardo Cojuangco, an ally of the late President Ferdinand Marcos, regained the helm of San Miguel Corp. on Tuesday, 12 years after being away from the Philippines' largest food and drinks company.

In a board meeting, Mr. Cojuangco, also a close associate of the new Philippine president, Joseph Estrada, was elected chairman and chief executive officer, replacing Andres Soriano Jr., who resigned Friday. The president denied any involvement in Mr. Cojuangco's return.

Mr. Cojuangco was chairman of San Miguel until he fled overseas with his patron following a popular revolt that ended in 1986.

The government then sequestered a 47 percent block of San Miguel shares, alleging they were acquired with ill-gotten gains. Mr. Cojuangco this year succeeded in legal efforts to regain control of 20 percent of the shares.

San Miguel has not sold stock since the government seized the stake in 1986, and investors see Mr. Cojuangco's comeback as a chance to resolve the dispute.

(Bloomberg, AFP)

INTERMARKET
days.

The IHT's Intermarket regularly features two pages of classified advertising for the following categories:

MONDAY Recruitment, Education, Secretarial, Internet Services.

WEDNESDAY Business Opportunities, Franchises, Commercial Real Estate, Telecommunications, Automotive, Entertainment.

FRIDAY Holidays, Travel,

WORLD ROUNDUP

Clean Drug Test

SOCCER Doping tests were carried out on 240 players at the first 50 matches of the World Cup and none were found positive for illegal substances. FIFA's medical committee announced Tuesday.

"There were 240 tests and 240 negative results," Dr. Lars Peterson of Sweden, a medical committee member, announced.

"This is not a victory," he said. "We still have four matches left."

The medical committee said that of all major sports, soccer has by far the lowest incidence of illegal drug use. It attributed this primarily to the "collective" aspect of a team sport that condemns performance-enhancing substances. (Reuters)

West Heads Northwest

SOCCER Liverpool of the English Premier League said Tuesday that it had agreed to buy Taribo West, the Nigerian World Cup defender, from Inter Milan.

The 24-year-old was expected in Liverpool by Wednesday to discuss personal terms with Roy Evans, the team manager.

• David Platt, the former England international, announced his retirement as a player Tuesday. The 32-year-old Arsenal midfielder, who played 62 times for England, said he was preparing himself for a career as a manager.

• Toni Polster, the 34-year-old Austrian striker, has joined the German club Borussia Moenchengladbach from relegated Cologne. (Reuters)

Falcons Sign DeBerg, 44

FOOTBALL The Atlanta Falcons signed Steve DeBerg, a 44-year-old quarterback who has not played in the NFL in five years, in case Mark Rypien, the backup quarterback, sits out the season because of illness in his family.

DeBerg was signed Monday to a one-year deal. Terms were not disclosed. DeBerg was the New York Giants' quarterback coach for two seasons under the current Falcon coach, Dan Reeves. His last NFL action was in 1993, when he played three games for Tampa Bay and another five for Miami.

Rypien's 2-year-old son, Andrew, has undergone two operations for brain cancer. His wife, Annette, has also experienced health problems recently.

Reeves said Monday that Rypien was "trying to figure out what's best for his family."

• The Oakland Raiders signed Wade Wilson on Monday. Wilson, a 17-year veteran quarterback, spent the last three years with the Dallas Cowboys. (AP)

Krupp Joins Red Wings

ICE HOCKEY Two years after scoring the biggest goal in Colorado Avalanche history, Uwe Krupp will be playing for their heated rivals. Krupp, who scored the overtime goal that gave the Colorado Avalanche the 1996 Stanley Cup, signed a four-year contract with the Stanley Cup champion Detroit Red Wings. (AP)

Sunday Policy Reviewed

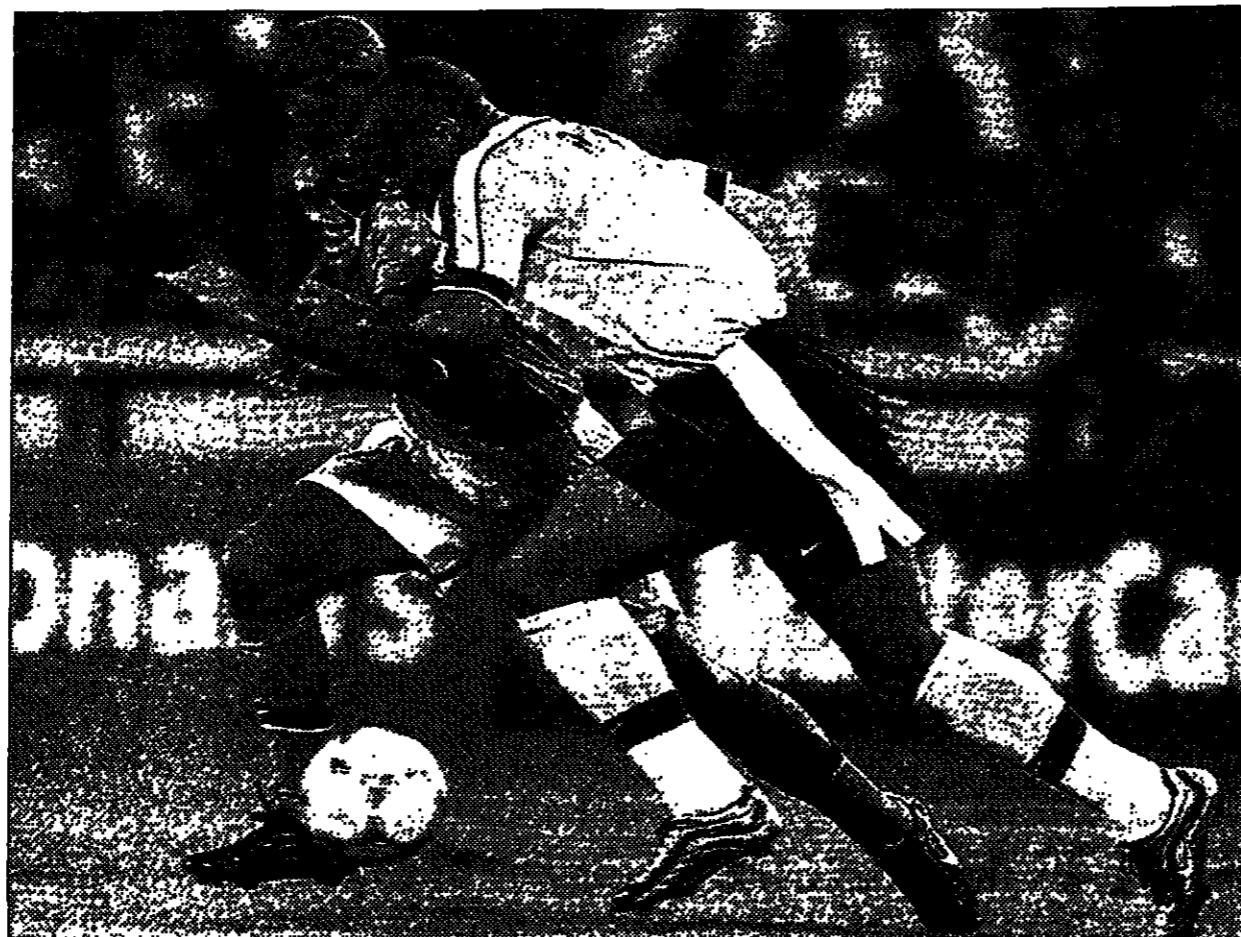
COLLEGE The NCAA, which runs U.S. college sports, will have to review its decision that requires schools to play or forfeit Sunday games.

A total of 97 schools joined Mormon-owned Brigham Young and Campbell (North Carolina) — a school with strong Baptist ties — in calling for a review of the board's April decision to eliminate the so-called BYU Rule, which allowed the NCAA to adjust schedules and accommodate schools that object to Sunday competition.

The group comfortably gained enough votes to force the NCAA to review the policy, but fell one vote short of the total needed to force the NCAA to drop it without review. (AP)

Sailor Breaks Record

SAILING The French yachtsman Christophe Augin smashed the record for trans-Atlantic crossing by a mono-hull yacht Tuesday when he completed the journey from New York to Lizard Point in England in 9 days 22 hours 59 minutes 30 seconds. His yacht, "Geodis," broke the record of 11 days 13:22:58 set by Sweden's Lutte Ingvald in 1997. (AP)



The Brazilian striker Ronaldo, right, sprints toward the goal watched by Frank de Boer, the Dutch captain.

CUP: Brazil Beats the Netherlands in Shoot-Out to Reach Final

Continued from Page 1

to take a penalty kick. Philip Cocu, by diving to his left. That preserved Brazil's 3-2 advantage, and after the Brazilian captain, Dunga, beat Dutch goalkeeper Edwin Van der Sar to make it 4-2, Taffarel dived to his right to stop Ronald de Boer's next attempt.

There had been no shortage of opportunities to settle the game the traditional way, most of them created by or presented to the two strikers who scored the only goals in regulation: Patrick Kluivert of the Netherlands and Ronaldo of Brazil.

Both would come within centimeters

of sending their teams into the final in the first 15-minute overtime period. But in the 93rd minute, Dutch captain Frank de Boer headed away a ball on the line that Ronaldo had kicked backwards over his head toward an open goal. One minute later Ronaldo launched a right-footed shot that forced Dutch goalkeeper Edwin Van der Sar to use all of his considerable wingspan to deflect as he

dived to his left. Kluivert's chance would come in the 102d: when his left-footed shot sailed just past the far post.

The Dutch had saved themselves in the dying minutes of regulation time for the third time in the tournament. Frank de Boer crossed the ball into the Brazilian penalty area from the right wing in the 86th minute with the Dutch trailing, to a 46th minute goal by Ronaldo.

Kluivert had had other opportunities with his head in this match and failed to convert. He again rose unmarked, and this time his header eluded the outstretched left arm of Taffarel to tie the game. It proved a brief reprieve for the Dutch.

Ronaldo, who had scored the Brazilian goal, had come perilously close to giving Brazil a 2-0 lead after. In the 72d minute, Rivaldo struck a lovely through ball that Ronaldo chased down as the Dutch furiously and vainly yelled for an offside call. It never came, and Dutchman Edgar Davids made up lost meters as he chased Ronaldo down from behind. As Ronaldo prepared to shoot,

Davids made light contact from behind sending him sprawling. The ball drifted just past the right post.

Ronaldo had grasped a similar chance in the opening seconds of the second half. Rivaldo played a long, curling ball through the Dutch defense that Ronaldo took in full stride.

Philip Cocu, normally a midfielder but forced to play left back, got a hand on the Brazilian striker's jersey, but it takes

more than that to slow down a player with legs as powerful as Ronaldo's. Cocu should know. He used to play with Ronaldo at PSV Eindhoven in the Dutch first division, and the two remain friends, but that did not get in the way of Ronaldo's fourth goal of this World Cup. Van der Sar came off his line, and in one fluid motion Ronaldo struck the ball underneath the towering keeper.

What a change a minute can make. At

the end of the first half, there were boos

as the teams walked off the field. Most of the jeers came from the yellow-clad Brazilian fans, unhappy with their team's lack of offensive rhythm.

Gallic Shrug Gives Way to Fanaticism

Vantage Point / ROGER COHEN

PARIS — A strange thing has happened on the way to the World Cup finals: this fractious country, never in agreement about anything, eternally divided, deeply skeptical, has united around a soccer team that is now lauded by workers, women and even intellectuals.

The World Cup had been approached with the usual grumbling. There was the cost: \$433 million for the main stadium alone. There were the predictable Left Bank comments about the inanity of 11 grown men chasing a ball. And there were the dismal pre-tournament showings of the French team, confirmation, if any were needed, that an early exit was inevitable.

There was also something deeper. This is a country that has traditionally been touched by the individual endurance of the Tour de France bicycle race, by the rugged splendor of rugby and by the grace and elegance of the Roland Garros tennis tournament. As for "le foot," it was foolish.

But a shift has occurred, fleeting perhaps, remarkable without doubt. In the place of the dismissive "bof," a wave of enthusiasm has engulfed the French as their team, on home ground, has reached the semifinal, a stage it has reached on three previous occasions only to be eliminated.

This time, says Aimé Jacquet, the villain-turned-hero who coaches the team, "we are going all the way."

Just how far France does go will be decided in Wednesday's semifinal against Croatia. Meanwhile, the team has already become the up-

immigrants to be transformed into patriotic French citizens largely through an excellent public school system. High unemployment and the spread of bleak suburbs populated largely by out-of-work immigrants have dented this ideal.

But now there is a soccer team to suggest that integration still works in France. Zinedine Zidane, the star midfielder, is of Algerian descent. Marcel Desailly and Lilian Thuram, two members of a four-man defense that has conceded only one goal in five matches, are black. David Trezeguet, a striker, was born in Argentina. Youri Djorkaeff, another striker, is of Georgian origin. The contrast with the monochrome German and Italian teams had indeed been striking.

"I salute the unity of a team representative of French diversity," Lionel Jospin, the Socialist prime minister, said. Referring to the sons of North African immigrants known as "beurs," he added, "When I see blacks and beurs, with the French flag, singing the Marseillaise, I find that these are timely images."

France has been deeply concerned for some time with the apparent fragmentation of its republican ideal, the model that allowed generations of Portuguese, Italian and other



France's coach, Aimé Jacquet, addressing press Tuesday.

like Madame Chevalier have by no means shunned the World Cup, as expected before the tournament started. A majority of women have seen at least four, according to media research centers.

With such enthusiasm prevailing, and jobs even being created, it was only natural that "le foot" would suddenly be elevated to the realm of political debate.

"I salute the unity of a team representative of French diversity," Lionel Jospin, the Socialist prime minister, said. Referring to the sons of North African immigrants known as "beurs," he added, "When I see blacks and beurs, with the French flag, singing the Marseillaise, I find that these are timely images."

France has been deeply concerned for some time with the apparent fragmentation of its republican ideal, the model that allowed generations of Portuguese, Italian and other

French winter Albert Camus noted that "all I know about morality and the duties we all have, I owe to soccer." Until recent days, his was a voice in the wilderness, but France has found a new popular identity. If it can beat Croatia and reach its first ever final, who knows what may happen.

Already, Mr. Jospin has portrayed himself as "a mixture of the coach Jacquet and the midfielder Zidane."

For a graduate of France's elite National School of Administration, this must have been a first.

France and Croatia: Both a Stride Away

High Expectations Ride With Each Side

By Rob Hughes
International Herald Tribune

and with a country to rebuild, has a check turning up at Stade de France; France, after all, has shown at this tournament that in creativity, and even fighting, it is second best to no one.

But France is almost in apoplexy over its apparent inability to put the ball in the net against stern opponents. This may be the area in which its people on Wednesday crave someone like Croatia's Davor Suker, who is relishing the prospect of adding to his four goals. Suker, after a season of busy idleness on the bench of Real Madrid, is fit, fresh and motivated.

Alongside him, lesser known but as elusive as the Pimpemel, Goran Vlaovic is another goalscorer and has another mission. Two years ago, Vlaovic thought his soccer days were numbered when he entered a hospital for an operation to clear fluid from the brain, and what, again, has a reprieved man to fear in the domain of a sports stadium.

As it happens, both these Croats face engrossing examinations. Marcel Desailly, soon to move from AC Milan to Chelsea in London, is having a quite magnifique World Cup. Didier Deschamps, his national team captain, says Desailly is the best defender in this marathon event, and I offer no argument. He dominates opponents, squeezes their space and their time, and counterattacks as well.

Similarly, Ljiljan Thuram, a right-sided defender who also likes to man-mark into attack, will have that license only if and when he manages to subdue Suker. The French coach, Aimé Jacquet, is student enough of the game to know that Croatia possesses not only this dual cutting edge, but also performers who are technically at ease in all areas of the pitch.

He knew it, I'm sure, before Bert Vogts, the beaten German coach, pronounced that Croatia is similar to Yugoslavia in the arts of the game, but, more rugged, more determined, more solid in defense. Indeed, statistics tell the story: In 10 games including this World Cup, Croatia has lost once to, Argentina, needed heroes, and who stands above Davor Suker or Zvonimir Boban in that?

This doesn't add up to a conclusion that France will lose — not necessarily, anyway. It is just a warning, a little, reveal of the neurosis that grips the guys when the great prize, greatly anticipated, is so unnervingly close.

Zidane admitted this week that France was not exactly playing liberated football, but that warning is what counts.

He, and his president, would settle no doubt for another scoreless 90 minutes, and a penalty lottery *victoire*. Croatia, the smallest nation at this World Cup, might just raise the stakes and, by scoring, oblige the French to seek something more grandiose.

Rob Hughes is chief sports writer of The Times of London

Blatter Attacks FIFA Panel For Ignoring Video Evidence

Compiled by Our Staff From Dispatches

PARIS — The controversy over refereeing at the World Cup is creating a public rift between Sepp Blatter, the president of FIFA, world soccer's governing body, and the panel that supervises referees at the World Cup.

Blatter complained Tuesday that FIFA's own disciplinary committee had rejected his suggestion that it view videos of two fouls. He also expressed unhappiness with the choice of referee for one of the semifinals.

Blatter said tapes showed blatant fouls by Dennis Bergkamp, the Dutch striker, and Said Chiba, a Moroccan player. In both cases the referees apparently did not see the fouls and did not award free kicks.

"Sure, I saw it," he said when asked if there was video proof of Bergkamp stomping on Siniša Mihajlović of Yugoslavia in a second-round match.

Blatter said he also had seen videos showing Said Chiba planting his cleats in the left thigh of Ronaldo.

"In two cases, the FIFA president has drawn the presence of video evidence to their attention," Blatter said, referring to the disciplinary panel. "They said, 'No, it's not needed.' That's O.K. When you have a clean separation of the different powers in a body, that's their prerogative."

Blatter also seemed upset when it was pointed out that the referee in the Bergkamp incident, José-Manuel García of

Spain, was to handle the semifinal between France and Croatia.

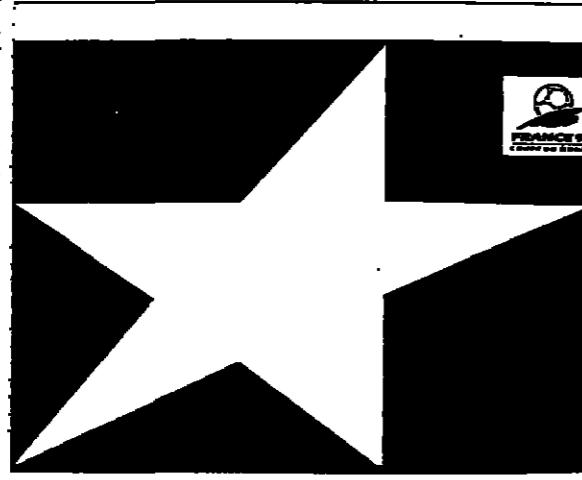
"We'll take up this in assessing the World Cup," he said. "I will have a word with them, a very serious word."

(AP, AFP)

Scores and Schedule

QUARTERFINALS	
JULY 3, IN MONTREAL	Brazil 3, Denmark 2
JULY 4, IN ST. DENIS	France 2, Italy 0
JULY 4, IN ST. DENIS	Argentina 2, Netherlands 1
JULY 4, IN LYON	Argentina 2, Germany 1
JULY 5, IN LYON	Croatia 3, Germany 0
SEMI-FINALS	
JULY 7, IN MARSEILLE	Brazil 1, Netherlands 1
JULY 8, IN LYON	France 2, Croatia
THIRD PLACE	
JULY 11, IN PARIS	Livingston 3, Argentina 2
FINAL	
JULY 12, IN ST. DENIS	

When matches are drawn after 90 minutes, teams start to play two 15-minute periods of extra-time. Play now stops immediately when one team scores a goal. If the game is still tied after extra-time, a "golden goal" for the winner, sudden death, is used. If no goal is scored in the 30 minutes, the match is decided by a penalty shoot-out.



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EUROSPORT

SPORTS

Griffey Hears the Fans**Boos Shame Star Into Home Run Derby**By Thomas Boswell
Washington Post Service

DENVER — Baseball has changed. The game no longer belongs to the owners or the players' union or even to the players themselves. Thanks to the Strike of '94, and the sense of shame and heightened responsibility to the sport that has been reborn since then, it is possible that the game finally belongs to the fans once more. They are in the process of taking it back, demanding that their concerns come first.

Or that was certainly how it felt on Monday in Coors Field. It's about time. Ken Griffey got the lesson. About 50,000 fans took him to the woodshed, gave him an old-fashioned public

ALL-STAR GAME

spanking and didn't relent until he meekly met their demands. Even then, they gave him a few more disciplinary cuffs on national television so he would remember who's boss. It was like watching sanity be restored in a dysfunctional family.

The Seattle center fielder may break Roger Maris's record of 61 homers in a season this year, and he is the best all-around player in the sport. But, sometimes, the kid also thinks he's bigger than the game. He has got plenty of fine qualities. But, at times, he can be a world-class baby — a perfectly apt illustration of the pre-1994, I-just-play-the-game-and-make-millions-of-dollars-and-don't-care-about-anything attitude that hurt the game for many years.

For a month, Griffey said that he would not participate in the All-Star home run derby on Monday, although it is one of the most popular and celebratory events in the baseball year. Fans love it. TV ratings are ridiculously high for it. But Griffey said he would take a pass. It might mess up his swing. He was tired from Seattle's tough travel schedule. He would be sore for the All-Star Game.

"Right now, I just need to rest," Griffey said Monday morning. Asked if he was concerned that he might disappoint the Coors Field fans, not to mention millions who watched the two-hour home run derby on television, Griffey said, "That didn't come into my train of thought."

Oh, it didn't? Those are the same people who gave you more votes than any other player for this All-Star Game. And pay your salary.

When Griffey stepped on the Coors Field grass on Monday, he was met with a cascade of boos that stunned him — and woke him up, too. When he accepted the award as the top vote-getter for the All-Star Game, he was booted even louder. When he took batting practice, every swing he took was booted. Suddenly, like a well-raised youngster who

has seen the error of his penitent ways, Griffey shaped up. Maybe if heated that Frank Robinson, a Hall of Famer, gave him an earful after the boos subsided.

Griffey decided the home run derby was a good idea after all. He went to the American League manager, Mike Hargrave, and said: Where do I sign up?

"I don't like to be booted," said Griffey after he went out and — yes, you guessed it — won the home run contest with 19 blasts. "And this is not the time to be booted — at the All-Star Game."

"If they want to see me do the home run competition — the fans — that's 4 million reasons why I did it, for them," said Griffey, citing the number of balloons punched for him around America.

For the record, Griffey even got some boos during the contest and very few cheers. His victory was greeted with the absolute *minimum* enthusiasm. Try something very near silence. The fans had made their point. Score one for the way things ought to be.

"No," said Griffey, confirming that he had never been booted that loud in his life. "I get a few boos on the road. But not like that."

Was Robinson, famous for his bluntness as a fiery clubhouse leader, instrumental in Griffey's change of heart?

"That's what we talked about," said a subdued and obviously shamed Griffey.

"You listen to those guys with those types of numbers and credentials."

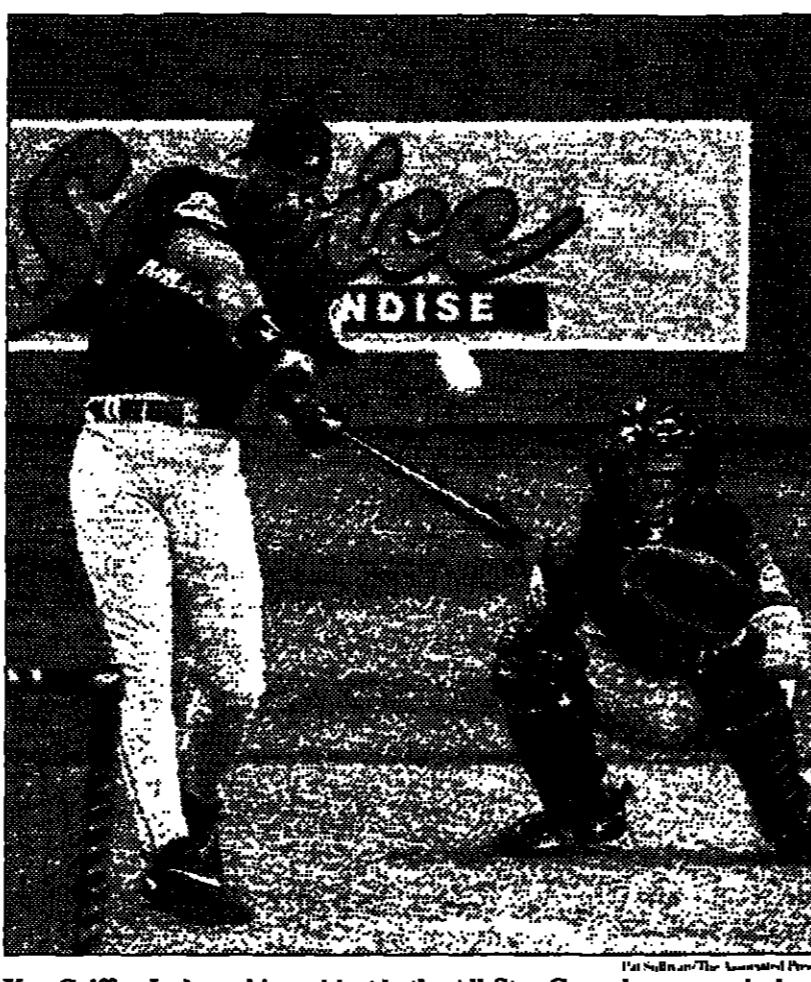
Next, Mark McGwire took his swings. (He managed only four homers in 14 swings, but did launch a monstrous blast to straightaway center that was estimated at 510 feet, the longest home run of the competition.)

"In '92, I accepted that I was a home run hitter in the game," he said. "It turns out the home run contest is probably the most fun thing in the All-Star Game. Why are some guys backing out? They have their own reasons. But I enjoy it."

"What I am doing, and what other great players are doing right now, is going to bring fans back to the game, I think. How we play the game, how we act, that's what's going to do it."

Perhaps Griffey hadn't noticed that, led by Cal Ripken Jr.'s example, ballplayers are signing more autographs and talking to more fans than they did before the strike. Perhaps he hadn't noticed that, for the sake of the game, McGwire has ended "feeling like an animal in a cage" because of the circus-like atmosphere that surrounds his batting practice sessions in every city.

But he found out. Griffey may be soft spoken, well-mannered, well-raised — somebody you would like. But he has also been a star since he was a child and sometimes it shows. That kind of behavior doesn't wash in baseball any more. And there's no better news than that — not even 62 homers — for the revived health of the game.



Ken Griffey Jr. launching a blast in the All-Star Game home run derby.

Sid Luckman, Football Star For Columbia and Bears, Dies

New York Times Service

NEW YORK — Sid Luckman, 81, the Columbia University star and quarterback of the great Chicago Bears teams of the 1940s who helped trigger a revolution in how the game of football was played, died Sunday at a hospital in Aventura, Florida, where he had lived.

Luckman, playing for George Halas, the owner and coach of the Bears, turned the modern T-formation into a formidable weapon and was inducted into the Pro Football Hall of Fame in 1965.

Bob Zuppke, the great Illinois coach, once said of Luckman, "He was the smartest football player I ever saw, and that goes for college or pro."

Luckman was a much-publicized schoolboy at Erasmus Hall High School in Brooklyn. Highly recruited out of high school, he spurned about 40 college offers to play at Columbia, attracted by the dynamic Lou Little, the Lions' coach.

Luckman's All-America efforts for mediocre Columbia teams caught the eyes of the Bears' Halas, who had a plan that changed football forever.

Luckman was in the right place at

the right time as Halas introduced a modern version of the T-formation offense, which promoted passing and put emphasis on speed and deception in place of brute strength. The T-formation had existed years before Luckman came onto the scene, but it was the versatile quarterback who gave it such a thunderous impact on the game.

In 1940, the Bears won the NFL championship by routing the Washington Redskins, 73-0, in the title game. It was the greatest team ever assembled in the era of one-platoon football. It took World War II to break up the Monsters of the Midway. And Luckman was the field general throughout.

He was "another coach on the field," Halas said.

Luckman played for three other championship Chicago teams, in 1941, 1943 and 1946. Three times he led the league in touchdown passes, in 1943, 1945 and 1946.

Luckman took to stardom gracefully. He was a gentle, modest and thoughtful man who was immensely popular. After 12 seasons with the Bears, Luckman retired in 1950 but remained close to the team.

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Pak Fights Back To Win Long U.S. Women's OpenBy Clifton Brown
New York Times Service

KOHLER, Wisconsin — It finally ended on the 20th playoff hole. It was the longest U.S. Women's Open ever, and one of the most dramatic, compelling championship duels between two remarkable 20-year-olds seeking their place in their sport's history. And while Se Ri Pak's victory firmly established her as a new force in women's golf, the performance of Jenny Chuasiriporn, who nearly became the second amateur to win the Women's Open, was extraordinary in its own right.

"I really felt it slip away there," she said of her putt for par at No. 18. "I thought I was going to do it there."

"This is just another thing to build my game and my confidence. I am pretty satisfied with the way I handled it. I guess I really feel like I am going to win one, so I am really not too disappointed."

Pak survived 92 holes of grueling golf — four 18-hole rounds, an 18-hole playoff and two sudden-death holes — on a challenging Blackwolf Run course. On Monday, she overcame a four-stroke deficit after five holes, as well as a poor tee shot on the par-4 18th hole that forced her to remove her socks and shoes and hit her second shot off a steep bank while standing in a water hazard.

Chuasiriporn had a 15-foot putt at that hole for victory, but it slid past the hole. "I thought I had that putt, but my hands were shaking a lot," she said.

Both players made par at the first sudden-death hole, the par-5, No. 10. But at the par-4, No. 11, it finally ended. After both players reached the green in two shots, Chuasiriporn missed a birdie attempt from about 18 feet, then watched as Pak lined up her final putt.

"I really had a sixth-sense feeling she would make it," Chuasiriporn said.

After many holes, and many anxious moments, Pak had won another major.

entering her final year at Duke University. She was gracious in defeat, but she will remember two key mistakes from Monday: a triple bogey on No. 6 when led by four strokes, and a missed 15-foot putt for par on No. 18 that could have won the championship.

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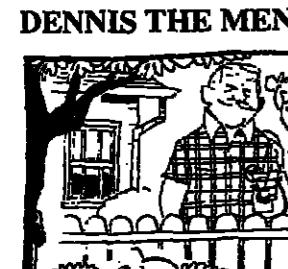
After many holes, and many anxious moments, Pak had won another major.



Se Ri Pak sinking a birdie putt on 12th hole in U.S. Women's Open.

SCOREBOARD**BASEBALL****MAJOR LEAGUE STANDINGS**

AMERICAN LEAGUE		WEST DIVISION		WEST DIVISION		NATIONAL LEAGUE		NATIONAL LEAGUE	
EAST DIVISION	GB	W	L	Pct.	GB	W	L	Pct.	GB
New York	61	20	753	.44	16	31	27	.517	2
Boston	32	33	512	.11	11	34	29	.500	1
Atlanta	46	42	522	.184	14	34	29	.500	1
Montreal	38	40	500	.125	12	34	26	.529	2
Tampa Bay	50	50	497	.125	12	34	26	.529	2
CENTRAL DIVISION	GB	W	L	Pct.	GB	W	L	Pct.	GB
Cleveland	50	35	568	.490	10	34	26	.529	2
Minnesota	40	46	465	.10%	12	34	26	.529	2
Kansas City	38	42	442	.125	12	34	26	.529	2
Chicago	35	51	407	.125	12	34	26	.529	2
DETROIT	34	50	402	.125	12	34	26	.529	2

PEANUTS

DENNIS THE MENACE

PEANUTS

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"SOMEDAY HE'LL BE EITHER FORTY RICH, OR DIRT POOR."

THAT'S INCREDIBLE WORD GAME

By Peanuts Worldwide



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"NEED ANY HELP?"

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OBSERVER

Ideas and Image

By Russell Baker

NEW YORK — Hamilton, Madison, Franklin, Washington, Adams and Jefferson had these ideas.

They didn't have any polls.

Didn't have any focus groups.

Never had the advantage of a photo op.

Never interrupted a trip to Asia by stopping off in Alaska like Reagan, so they could have their pictures taken saying "Hi there!" to the Pope.

Madison, Franklin, Washington, Adams, Jefferson and Hamilton had ideology.

Didn't have brilliant campaign consultants warning them that ideology was poison.

Had nobody at all to tell them: "Lay off the ideas, Jamie. Keep the old lip buttoned about ideology. Ben, George, John, Tom and Alex."

Did't have any television instructors to make them get their teeth capped, hair dyed, lips painted, cheeks rouged.

All they had were these ideas they'd picked up from — reading! Reading books!

Franklin, Washington, Adams, Jefferson, Hamilton and Madison were different from Clinton, Gingrich, Gore, Lott.

Different from Bush, Quayle and Reagan, too.

Franklin, Washington, Adams, Jefferson, Hamilton and Madison had ideas. They knew philosophy. They had ideology. They had ideas about how government should work.

Unlike Clinton, Gingrich, Gore and Lott, Bush, Quayle and Reagan, they didn't have speechwriters to help them drive audiences half-mad with joy by uttering vacuities like "Read my lips" and

"It's morning in America" and "I feel your pain."

When they needed a tough piece of writing done, they had to decide for themselves what they wanted to say, then lean over Jefferson's shoulder to make sure he was saying it the way they wanted it said.

They were familiar with the best writing of the 18th century. All those French intellectuals. And John Locke!

Locke with those ideas about mankind's most precious rights: life, liberty and property. They loved property. They were men of property, but they knew that "life, liberty and property" detracted from the nobility of their own ideas, which were more daring than Locke's.

They didn't have image advisers to warn them that unpropertied people were not likely to be enthusiastic about dying for property rights.

But they had common sense. They changed "property" to "pursuit of happiness."

Washington, Adams, Jefferson, Hamilton, Madison and Franklin were free to have ideas because they had no pollsters.

Clinton, Gingrich, Gore and Lott, Bush, Quayle and Reagan did not need to have ideas.

When they needed to know what people wanted them to say they asked a pollster to find out, then they told people what the pollster said people wanted them to say.

Jefferson, Hamilton, Madison, Franklin, Washington and Adams — they had ideas.

Clinton, Gingrich, Gore and Lott, Bush, Quayle and Reagan? Lamentation will do no good. It is not given to every generation to have a golden age.

Following his brother, he found work with

New York Times Service

A Literary Wanderer, Far From North Korea

By Don Kirk
International Herald Tribune

SEOUL — Peter Hyun looks back on a world that opened to him as a child, during the period of Japanese colonial rule in Korea, and wonders where on earth he belongs.

"I'm a gypsy, I'm stateless," said Hyun, during one of his infrequent returns to Korea. "I know a country, but I'm not a part of it."

Author, editor, memoirist, Hyun isn't exactly searching for his roots. Rather, at 70, he's trying to make sense of a life that began in the industrial city of Hamhung, near the east coast of what is now North Korea, and has somehow deposited him in New York and France.

"I want to go home to North Korea," he said, but mostly he would like to revisit the turbulent era in which he was born and raised, then flung into what is now South Korea on his way to the life of a literary wanderer in alien Western cultures.

He evokes those days in a memoir published in Korean, serialized in the local press and turned into a Korean television special. Now he is writing what he describes as "a fictional account of my memoirs," hoping the story, as a novel, will interest foreigners.

Turning the story of his life into English should not be an impossible task for one who was inspired to write after reading Walt Whitman's "Leaves of Grass" while interpreting for American GI's shortly before the outbreak of the Korean War.

The time between the Japanese surrender in 1945 and the outbreak of the Korean War nearly five years later "was an exciting period for Korean artists and intellectuals," Hyun said. "Many of them were radicals. The American military was not very happy with them. Some escaped to the North."

Hyun Woong, as he was named at birth in Korea, had other ideas. He had just lived through World War II in the North under Japanese rule. "It was terrible," he said. "We were not allowed to speak Korean. The Japanese were very cruel."

After the Russians arrived in the North in 1945 to run the communist regime north of the 38th parallel, one of the Russians asked him if he would like to study in Moscow. His oldest brother was then working in a coal mine near the Russian border. He demurred, preferring to wait until his brother fled to Seoul and a professorship of theology at Ehwa Women's College, where their late father had once lectured.

Following his brother, he found work with



Peter Hyun at age 70: "Not many Koreans have lived this kind of crazy life."

the Americans, interviewing refugees from the North.

But starry-eyed visions of life in a new world fell apart after a year on a full scholarship at Hastings College, a Presbyterian school in Nebraska, for which an American officer had recommended him. "I was the first and only subscriber at the college to the Daily Worker," he said. That and a fling with a female student so incensed the authorities at the school that they gave him 24 hours to leave campus. He boarded a Greyhound bus out of town with one souvenir of life in the heartland, a new name, Peter, which he first used that year on a poem for Poetry Magazine.

Next stop was Washington, where he was working part-time at the Library of Congress when the Korean War broke out. Very soon he discovered he was again not wanted. The Immigration and Naturalization Service, possibly tipped by J. Edgar Hoover's FBI that he had once subscribed to the Daily Worker, classified him as "an undesirable alien." He had a choice: leave the United States in two weeks for anywhere that would take him, or face a board with the power to deport him.

"It was August 1952," Hyun said. "My native country was North Korea. I could not go back there. I had a Spanish friend. He took me to the Spanish Embassy, I got a visa on the spot and went to Madrid."

That was the beginning of a European odyssey in which he got a diploma from the Sorbonne and met his future wife, Judy Douglas, daughter of a wealthy American mining engineer.

"When her father learned that the apple of his eye was determined to marry this penniless Korean, he was furious," Hyun said. "I was writing for France Observateur, now Le Nouvel Observateur. It was socialist left-wing."

The South Korean ambassador, viewing France Observateur as "communist," refused to grant him a passport. "I was stateless for a few years," he said. To work at the BBC in London, he had to borrow the passport of a friend who looked somewhat like him.

"In Paris I met writers, literary types," said Hyun, dropping a list of names of authors who sojourned there in the '50s. He then turned to writing for British publications — The Ob-

server, The Listener, Queen. His wife, whom he married in London, gave birth to a daughter in Paris in 1961.

Hyun's American phase began when he convinced the American Embassy in Paris that he had never been a Communist, got a visa as the spouse of an American and moved to New York with his wife, who was an assistant curator at the Metropolitan Museum of Art. Hyun found a job as a book editor at a small press. After the company went out of business, he went to work at Doubleday as an editor of children's books.

"Doubleday hired me, and I flew to Europe to look for authors to sell books. I traveled so often, colleagues spread rumors that I was a CIA agent." He even returned to Korea during the 1963 presidential campaign and interviewed Park Chung Hee, who already had power and wanted to confirm it at the polls, for the New York Herald Tribune.

Granted American citizenship, Hyun began to work on books of his own.

Tragedy, however, intervened. His wife started complaining of aches and pains, and by the time she was diagnosed with lymphoma, she had only a few months to live. In 1970, at 32, she died.

Later, on a trip to Seoul Hyun met a former music student, Song Young In, and remarried.

He began to rotate with his family between the United States and a renovated chateau in the Loire Valley. He took on more editing jobs, founded a magazine in Seoul named Korea and wrote his memoirs, which have made him well-known in Seoul.

"Not many Koreans have lived this kind of crazy life," he said. He now sees himself as a link between disparate cultures.

"Because I happen to live in both worlds. I would like to play that role as a bridge," he said. "Koreans resist. They're kind of like frogs in a pond. Those guys who've spent time in grad school in the U.S. or London come back and are Koreans again."

He is more optimistic about Koreans mised abroad. "They are globalized Koreans," he said. "I hate to say 'Westernized,' but they see both sides of the coin, whereas Koreans here as a whole are narrow-minded."

For all his trips to South Korea, Hyun isn't satisfied. "I want to see my birthplace again before I die," said Hyun, who returned on a reporting trip in the early 1970s and came back with distinctly negative impressions. "But I hate the North Korean government. They will never let me back."

PEOPLE

WHEN he learned one day recently that a Frenchman had registered a trademark for the smiley face, Harvey Ball did not have a nice day. As nearly everyone in Ball's hometown of Worcester, Massachusetts, knows, it was he who designed the ubiquitous symbol of good cheer in 1963. Franklin Loufrani, a 55-year-old French entrepreneur first registered the symbol in 1971 and now holds the trademark in much of the world. Loufrani has threatened to sue U.S. companies that manufacture or sell products with the smiley symbol in the 80 countries where he holds the trademark. Loufrani said he made up smiley for a French newspaper to illustrate positive stories after the student riots in 1968. Ball, a free-lance artist, was paid \$45 in 1963 to come up with a graphic for State Mutual Life Insurance Co., which printed 100 smiley buttons and generated requests for tens of thousands of buttons. Ball, now 76, never sought a trademark or copyright, and he isn't planning legal action against Loufrani. He just wants recognition as smiley's creator.

He was the king of the singing cowboys, and when Roy Rogers died, a little bit of the music died with him. Rogers' old singing group, the Sons of the Pioneers, canceled a show in Branson, Missouri, after hearing of their founder's death. Dale

Warren, the group's leader, said, "It's a sad day for all of us, for all of America. Ronnie Pugh, a historian with the Country Music Foundation in Nashville, said: "He and Gene Autry were the cowboy sound. They were on the side of angels, Americanism, good wins over evil." Dozens of Rogers' fans trekked to Victorville, California, to pay their respects at the museum he and his wife, Dale Evans, built.

The French soccer star David Ginola is planning to take up the role in the International Red Cross's campaign against land mines left vacant by the death of Diana, Princess of Wales. The involvement of Ginola, 31, who plays for Tottenham Hotspur, was announced as the British government prepares to ratify the Land Mines Treaty later this week.

The cellist Julian Lloyd Webber and his wife, Zohra, are separating after nine years of marriage. In a brief joint statement, the brother of the composer Andrew Lloyd Webber and his second wife said they had been living apart "for some months."

Queen Elizabeth II will visit Paris later this year

to unveil a statue of Sir Winston Churchill. She will also attend ceremonies to mark Remembrance Day on Nov. 11 in the French capital and in Ypres, Belgium, to mark the 80th anniversary of the end of World War I. The statue of Britain's wartime leader will be on Avenue Winston Churchill, just off the Champs Elysees.

The European Commission's president, Jacques Santer, will award platinum records to music stars from Joe Cocker to Aqua at a ceremony Thursday in Brussels. The award recognizes musicians whose albums released since Jan. 1, 1994, have sold more than one million units in Europe.

The former Motown star Michael Jackson returned to his musical roots, blowing kisses as he stepped off a plane in Detroit to announce a family entertainment venture and unveil a new video.

Milton Berle's son, Bill, is circulating a proposal for a tell-all biography that portrays the 89-year-old comic as an absentee father, domestic tyrant, chronic gambler and a world-class womanizer, according to the New York Post.



Harvey Ball, who in 1963 created the smiley face that became a worldwide symbol.



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